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Rhode Island and Merchants Are Being Revamped

Stewart B. Hopps Is Taking Leading Part in the Rearrangements

The management of the Rhode Island and the affiliated Merchants has made no official announcement regarding the changes that are now being effected in the structure of the organization. Due to the fact that registrations must be made with the Securities & Exchange Commission, the management apparently desires to say nothing that would prejudice its interests with the SEC.

The management is collaborating with Stewart B. Hopps of the Atlantic Brokerage Company, New York, in effecting a new setup and it is understood that Mr. Hopps will become a director of the Rhode Island and will serve in a business production capacity. It is not clear from unofficial reports whether the intention is to consolidate the Rhode Island and the Merchants or whether the Merchants will remain as a corporate entity in order to preserve agency rights in limited agency cities. Unofficially it is stated that the Rhode Island, after the rearrangements are effected, will have a policyholders surplus in excess of the combined surplus of the two companies which amounted to \$3,111,006 as of Dec. 31, 1938.

Hopps Nationally Known

Mr. Hopps gained a national reputation during the six years that he served with George C. Stevens, as United States general agent for Pearl Assurance. Mr. Hopps is credited with being the main force in the spectacular business getting record of Pearl. Pearl belonged to no boards or organizations and Mr. Hopps was able to offer attractive concessions of various kinds to big brokers and general agents. The Rhode Island and Merchants belong to the various underwriting organizations and the future policy of the company in this regard, will be watched with the keenest interest. Mr. Hopps got his early insurance experience on the coast and then came into prominence as a bold operator on a large scale when he represented National Union in New York.

Byron S. Watson has been head of the Rhode Island ever since the retirement of E. G. Pieper a few years ago. As of Dec. 31, 1938, assets of Rhode Island amounted to \$3,514,886, premium reserve \$1,703,257, capital \$1,000,000, and net surplus \$565,482. Net premiums written were \$1,733,600, losses \$807,408, dividends \$40,000, expenses paid \$969,916. The incurred loss ratio was 50.8 and incurred expense ratio 56.1. For the 10 years ending Dec. 31, 1938, the incurred loss ratio was 57.6 and the incurred expense ratio 53.

Merchants at the same date had as-

Federal Insurance Demands Are Creating Problems

Much Interest Taken in Bids for FSA Coverage

The farm security administration of the U. S. department of agriculture has now officially asked for bids for fire and extended coverage on properties of the FSA. The bids will be opened at 2 p. m. Dec. 8. The insurance has been carried by a syndicate of mutual companies, which are primarily interested in city business. The amount of unprotected business that was included in the coverage, it is understood, was more than this syndicate anticipated.

Values of the FSA properties are set at \$61,818,944. There are three types of properties, they being classified as resettlement projects, tenant purchase and Greenbelt projects. Bids for each of these three types of properties are to be submitted on different bases. (1) Nation-wide, a single separate bid for each type of property located within the continental U. S., irrespective of the location of the property; (2) Territorial, a single separate bid for Porto Rico and Hawaii for all tenant purchase properties, irrespective of the location of such properties within the territory; (3) state-wide, a separate bid for each type of property for each of the states or for as many of the states as the bidder desires to submit bids, irrespective of the location of the property within a given state; (4) regional, a separate bid for each type of property, for each of the 12 regions or for as many of the 12 regions as the bidder desires to submit bids.

Reservations of Right

The government reserves the right to reject all state-wide and regional bids and accept the lowest nation-wide bid, if the government can buy it cheaper that way.

The successful bidder will be required to establish in Washington a binding office in charge of a manager.

No liability is assumed by the government for the payment of any premiums except those on account of insurance issued directly to and in the name of the government as the insured.

Some observers are wondering how a bid can be offered covering the FSA requirements on a nation-wide basis. It would be possible, it is understood, to work up a bid for the properties in the various states and then submit a national bid which would be cumulative, but in order to get up an average quotation for all properties, numerous state laws and requirements would undoubtedly be violated. Some have suggested

(CONTINUED ON PAGE 22)

sets \$3,128,071, premium reserve \$1,393,574, capital \$1,000,000 and net surplus \$545,524. Premiums written were \$1,415,547, losses \$575,985, expenses \$779,102. Incurred loss ratio was 51.9 and expense ratio 55.8. For the 10 years the loss ratio was 56.6 and expense ratio 54.

Instructions Sent Out Concerning Loans on Corn Crops for This Year

The CCC has sent out definite regulations regarding the insurance on the 1939 corn crops where loans have been made by the government on the basis of 57 cents a bushel. Instructions are promulgated that insurance covering fire and tornado must be carried equal to the amount of the loan. This is following the same plan that has been in vogue in the past. The interest rate has been reduced to 3 percent and the insurance rate is 40 cents. As there has been no change in the 1937 or 1938 crops so far as insurance is concerned, following the ruling sent out by the CCC canceling its instructions creating an insurance fund, the situation is still left open. The implication is, however, that this corn should be insured. The insurance companies, therefore, take the ground that it is up to the agents to solicit this insurance on resealed crops and point out the necessity of the farmer protecting his values.

WHERE THE TALL CORN GROWS

DES MOINES—Still in a muddle regarding the resealed corn so far as insurance is concerned, agents declare they have not taken a defeatist attitude in that they have not solicited the insurance. Instead they claim that it is a battle between them and the county AAA agent, who goes around telling farmers that they do not need insurance and that the insurance men are merely trying to hamstring them. As one agent, who was very active in telling farmers that they should protect their values, put it: "Suppose the agent does not explain to the farmer that he needs the insurance and later he has a loss and discovers he has to make good. Do you think that farmer will not be very bitter against the agent and look around for some other insurance man for the rest of his insurance? It will be interesting to watch for losses in which the farmer has no insurance. It may be the government will cancel the loan certificates and yet maybe the farmer will have to make it good."

Two Different Stories

"I have heard two separate stories out in this section, both from Washington, D. C., which came from different sources. One took the position that the government would cancel the loan and make good any fire loss. The other said that the borrower will have to make it up. Washington authorities seemingly have forgotten to take everything out of that certificate and left in some clauses which most agents interpret that the borrower has to make good in case of loss."

Some authorities declare that in case of loss with no insurance on the resealed corn the government will then insist on the farmer using his insurance on his other property to make good the loss.

Palmer's Ruling on Commissions Is Rescinded

Ambitious Enterprise in Illinois Annulled by Governor, Attorney-General

With annulment of the ruling of Insurance Director Palmer of Illinois fixing the commission scale to agents and brokers on auto fire, theft and collision by Governor Horner and Attorney-general Cassidy, fire insurance people believe that Mr. Palmer's contemplated program for fire insurance acquisition cost control in Chicago and Cook county will not now materialize. Mr. Palmer on Monday dispatched a bulletin to companies, rescinding that portion of his ruling on automobile insurance under which he set the maximum commissions to agents at 25 percent and to brokers at 15 percent. This reversal was not unexpected, as rumors had previously been printed that Governor Horner had directed Mr. Palmer to recall that highly controversial assertion of authority.

Mr. Palmer had issued no ruling regarding fire insurance acquisition cost in Cook county, but he had let it be known that he intended to announce a program, prior to Dec. 1. It is taken for granted that, in view of the fact that his authority to fix commissions in the automobile field has been denied, he will not attempt to assert the same authority in connection with fire insurance. There is a difference, however, in that in the fire field Mr. Palmer had been striving to get the Chicago Board to promulgate its own program, which could be supported by the department.

Impulse to Reform Lost

Some of the leaders who have been hopeful that under Mr. Palmer's prodding, acquisition cost reforms might be accomplished in Illinois, are discouraged by the turn of events. They feel that since Mr. Palmer's ambitious program has proved abortive, impulse towards reform is lost and that conditions may become worse than ever. Mr. Palmer had not undertaken to control acquisition costs in the casualty field, but he had made an exhaustive study of such costs and some say it was because of the implication that Mr. Palmer might assert himself in the casualty business that the companies went farther than they have ever gone before in getting up an acquisition cost program for Chicago. Whether the fact that Mr. Palmer has lost steerageway in his drive to control commissions will cause the casualty companies to falter in their voluntary program to control costs in Chicago and Cook county remains to be seen.

The two suits that were brought in Chicago, challenging Mr. Palmer's authority to fix commissions, will now

(CONTINUED ON PAGE 23)

Death Overtakes Alfred Stinson in Hartford Hospital

Alfred Stinson of Hartford, Conn., who retired as vice-president of the Automobile and Standard Fire in 1938, died Thursday evening, at the Hartford Hospital, the funeral being held Saturday and the interment at Cedar Hill



ALFRED STINSON

Cemetery in Hartford. Mr. Stinson suffered a stroke a few years ago and after that was unable to carry on business satisfactorily, having been retired last year on a liberal pension. He attended the fall meeting of the Western Underwriters Association at White Sulphur Springs in September on its 60th anniversary and found pleasure in meeting old friends. He seemed then much improved. He was a man of robust temperament, outspoken, blunt and forceful in his expressions, but a man of real ability. His work in connection with the Automobile in reconstructing the company showed a fine understanding of the business and remarkable courage and stamina. In his early days with the company he had to draw on his reserve power and exhibited always a splendid degree of fortitude and intelligence. He may at times have been not unduly diplomatic in his associations but all gave him credit for desiring to obtain results that were worth while.

Mr. Stinson's Career

Mr. Stinson was born in Belleville, Ont., Aug. 19, 1871. He started his insurance career in a local agency at St. Paul. After 10 years in that work he became special agent for the National of Hartford, in Iowa, Minnesota and western Canada. He remained with the company in the field for 11 years and then became manager of the Minneapolis Fire & Marine, later having been elected secretary and vice-president. He resigned his connection there in 1918 to become executive special agent for the American Eagle Fire, serving two months when he was appointed secretary in charge of its western department in Chicago. Later he was shifted to the Fidelity-Phenix, being chosen vice-president in charge of its western department on Jan. 1, 1921, resigning in December, 1924. He was elected vice-president of the Automobile April 1, 1926, being in full charge of its operations.

Olaf Nordeng, secretary of the Automobile and Standard Fire, became associated with Mr. Stinson when the latter was an official of the Minneapolis F. & M. He followed him to the American Eagle and the Fidelity-Phenix. Mr. Nordeng went with Mr. Stinson when he became vice-president of the Automobile.

Mr. Stinson had an acute attack of kidney trouble, was hastened to the Hartford Hospital, being unconscious

Hail Organizations Are Holding Forth

With the meeting of the executive committee of the Western Hail & Adjustment Association in Chicago, Monday, followed by a meeting of the entire conference, the season for the regional meetings of the hail organizations gets under way. The Southeastern Hail Conference is holding its annual gathering at Greensboro, N. C., Dec. 11-12, and on Dec. 11, the Pacific Coast Hail Conference is meeting in Spokane. On Jan. 23, the Canadian Hail Underwriters Association holds forth at Toronto.

The executive committee of the Western Hail Association will pass upon the recommendations made by the advisory committee at its meeting the other day.

Among the recommendations of the advisory committee is that the maturity date of notes taken for premiums on dark tobacco be made the same as on burley tobacco, Dec. 1 of the current year and agents-tobacco commission agreement may be amended to provide for commission of 15 percent on notes covering premiums on dark tobacco, which are paid on or before April 1 of the following year. Another recommendation is that the commission scale in Iowa be changed from the present percentage of premium basis, to a liability basis, the commission first year being \$8 per \$1,000; second and third years, \$4 per \$1,000, and fourth and fifth years, \$2. Another recommendation is that in all states the commission on bank certificates of deposit issued by banks insured under the Federal Deposit Insurance Corporation shall be 17½ percent, separate certificates to be submitted with each application and drawn to mature not later than 30 days after maturity date of note.

It is recommended there shall be no change of rates in Arkansas, Illinois, Indiana, Kentucky, Ohio, Michigan, Tennessee and Wisconsin. A number of minor changes were recommended for the other states.

The committee recommends that the loss clearing house be continued for 1940, with the exception that the Wichita office be relieved of New Mexico reports.

In view of the pessimistic outlook in connection with the crop situation in the southwest, the committee recommends that the adjusters meetings held in previous years in Omaha and Wichita be suspended in 1940 and that they be continued in Minneapolis and Great Falls, Mont. It is recommended that a hail loss committee composed of members of the advisory committee resident in Chicago be appointed to act in an advisory capacity in agreeing on methods of procedure in settling hail losses on growing crops. A motion was defeated to extend the use of five season hail policies into Minnesota.

for two days before he died. It was found he had a stone in the kidney. Medical efforts to remove it were un-

New Pearl Manager

Oscar H. Carlsson, the new United States manager of Pearl Assurance,



Oscar H. Carlsson

heretofore has been foreign fire superintendent at the head office of his company. He is familiar with conditions in this country, however, as he has made several visits here. He has been in this country since last June. His early insurance experience was with Union of London, a subsidiary of Commercial Union. He went with Pearl in 1922, becoming foreign manager.

Mr. Carlsson succeeds Alfred L. Merritt, who is retiring from the insurance business and is returning to the Pacific Coast.

Illinois Files Transcript in Merchants Fire Case

SPRINGFIELD, ILL.—The Illinois department has filed a complete transcript of the correspondence and records in the dispute between Director Ernest Palmer and the Merchants Fire of Denver, with the Sangamon county circuit court. The company is seeking a review of Palmer's order denying approval of three personal property floater forms filed by Merchants Fire, excluding fire at the residence.

Nov. 27 was the deadline for the department to file an answer with the court, but none was filed. No date for a hearing has been set. The review petition, filed Oct. 28, questions the director's power to prescribe standard marine forms and to delegate authority to the Illinois Household's Personal Property Floater Bureau.

Momsen to Be Tried Dec. 5

MILWAUKEE—Trial of Jennings B. Momsen, former president of Associated Adjusters, on mail fraud charges, has been set for Dec. 5, in the United States district court here. He is charged with advertising in wide area opportunity to become an insurance adjuster, accepting fees from thousands of persons seeking employment, and providing jobs for only a very few.

C. F. Cremer Opens Agency

PEORIA, ILL.—Charles F. Cremer, a nephew of the late Bernard, Mathias and Adolph Cremer, founders of the old German Fire of Peoria, later known as the Illinois Fire, has opened the Charles F. Cremer Insurance Agency, 209 Lehmann building, Peoria.

availing so he was operated on. However uremic poisoning had set in and was the direct cause of his death.

Wheaton Williams Gives Local Agents Sage Epigrams

Imagination, a liking for one's work and a happy disposition are prime factors for success in selling insurance, Wheaton A. Williams, vice-president Fred L. Gray Co., Minneapolis, told the



WHEATON A. WILLIAMS

Southern Minnesota Agents Regional Association at its open house meeting at Faribault. About 75 agents and field men attended.

Some of the points stressed by Mr. Williams were:

"Most people buy automobile insurance for the service they get rather than the protection. Therefore, service should be one of the agent's best selling points. "Talk from the prospect's viewpoint.

"If you don't like selling insurance get out of the business. We must like our job and work hard at it.

"Appeal to the emotions and the sense of pride of the buyer.

"Too many agents spend too much of their time in the office.

"Do not interview your prospect at the wrong time. Wait for his undivided attention.

"We fail to work the noncompetitive lines hard enough. Go after the people who are uninsured rather than trying to get away the business of your competitor.

"Above all things, tell your customers about your service. Brag about it."

O. J. Eastman, secretary Northwestern Fire & Marine, talked on the importance of public relations in insurance.

"If we don't do a proper job of public relations for our business, some of our competitors will do it for themselves and unseat us," he said. "We have an opportunity in our every day work to do effective public relations work for our stock company insurance business. Let us take advantage of it."

M. G. Rolfsen, Austin, president of the Southern Minnesota association, presided. A question box discussion followed the two speakers.

Lloyd Allen to Los Angeles

LOS ANGELES—L. K. Allen, who has been associated with the New England bond department of the Employers Liability group since Jan. 1, 1938, and who is a graduate of the home office training school, has been transferred to the Los Angeles office. He has been assigned to the bond department of the office by Manager W. W. Witkoff, and will be in the underwriting section.

Stuyvesant, Dearborn National, and American Fire of Washington, D. C., have been admitted to Maryland.

THIS WEEK IN INSURANCE

Insurance Director Palmer of Illinois rescinds his controversial ruling whereunder he attempted to set the maximum commissions that might be paid to agents and brokers on automobile fire, theft and collision. **Page 1**

Commodity Credit Corporation announces its program for **loaning on 1939 corn crop.** **Page 1**

Changes are being effected in the structure of the **Rhode Island** and affiliated Merchants with Stewart B. Hopps being identified in the negotiations. **Page 1**

Chairmen of committees are appointed at **Wichita, Kan.**, to take care of the **mid-year meeting** of the National Association of Insurance Agents. **Page 4**

Alfred Stinson, former vice-president of the Automobile of Hartford and Standard Fire, died in Hartford. **Page 2**

Regional conferences of hail insurance organizations started with meeting of Western Hail & Adjustment Association. **Page 2**

Sim E. Wherry, co-manager of Home's service department in Chicago, transferred to Los Angeles as manager. **Page 3**

Reinsurer's liability under treaty limited by Ohio supreme court to cases where reinsured carrier actually has paid loss in cash. **Page 11**

George E. Turner of Hartford has been made arbitrator of the acquisition cost conferences of the surety and casualty companies in Chicago. **Page 11**

American Marine Insurance Syndicate's offer to write war risk 90-day coverage on U. S. vessels operating in western hemisphere develops only mild demand due to quadrupled rates. **Page 22**

Sharp Rise in War Risk Marine Rates

Mine Sinkings in English Channel Big Factor in Increase

NEW YORK—Continued sinking of neutral vessels as well as those of the allied powers has impelled a further sharp increase in war risk rates both here and in Great Britain. Floating mines in the English channel are held accountable for the majority of the losses of the past week, the menace from this source being deemed greater than that from torpedoes.

New war risk rates made effective by American marine underwriters last Saturday increase by 1 percent those previously in force for both import and export shipments in belligerent or neutral flag vessels to the United Kingdom, Irish Free State, Belgium, the Netherlands and France, including the Mediterranean. The new rates are 5 percent on imports and 6 percent on exports.

Scandinavian Rates

The rate on exports by neutral flag vessels to Norway, Denmark and Sweden, not beyond Malmo, was increased from 4 3/4 to 6 percent, and on imports from 4 3/4 to 5 percent. In the same group of ports the rate on neutral ships touching at belligerent ports was advanced from 5 percent to 7 percent for exports and from 5 3/4 to 6 percent for imports.

The numerous sinking of vessels and the announcement of Chancellor Hitler that Germany will prosecute its undersea campaign with ever increasing vigor, has seriously upset shipping circles in this country as well as those of foreign lands, and has made highly expensive the shipment of cargoes. American manufacturers since the outbreak of the war have been forwarding goods largely via neutral vessels, mainly Italian and Scandinavian. The threat of Britain to seize all goods intended ultimately for Germany, as well as exports from that country, has added still further to the embarrassment of manufacturers of this country, and has been a consideration in the recent war risk rates.

Even at the high rates now demanded by vessel owners for cargo shipments, steamship men assert there is no profit in the business, pointing to the longer courses vessels must now travel to avoid in so far as possible mine and submarine perils, the increased wages and bonus paid seamen and the greatly increased cost of repairs and other upkeep charges.

The barring of American vessels from hitherto traveled courses is another severe handicap, and every effort is being put forth to transfer the ships held at home ports to new trade areas.

New Rates to Far East

A new schedule of war risk insurance rates, in which quotations on voyages to the east and far east are reduced substantially, has been released by the British government war risk office and the Institute of London Underwriters.

The government's new rate for voyages between the east and far east and the United States Atlantic ports, via the Cape or Panama, is 20 shillings on each 100 of the shipment's value. This new rate applies to all voyages not coming within the 10 shillings rate for voyages between the United States Atlantic ports via Panama and Japan, the Philippines, China, including Hongkong, Dairen, Manchukuo and Haiphong. Quotations apply to cargoes in British ships only.

Ends Special U. S. Rate

The institute's new schedule eliminates the special low rates for cargoes in United States steamers, these ships now being rated on a level with neutrals. This applies also to the special rating of the previous schedule for local and miscel-

Wins New York Fair Honor Trophy



John O. Platt (right), president North America, receives New York fair award for sponsoring the "most colorful and spectacular event of 1939" at the New York exposition from Edward F. Hickey of the fair's special events department.

The award was made in connection with the North America's sponsorship of volunteer firemen's national muster day at the fair.

laneous voyages in which rates for United States and Latin-American flags were approximately one-half of that for other neutral flags.

Reductions also were effected on voyages to North, Central and South America. The Mediterranean rate has been reduced to 40 shillings from 50 shillings for allied flags and to 30 shillings from 40 shillings for neutral flags.

Black Sea shipments were reduced to 45 shillings from 70 shillings for allied flags and to 35 shillings from 50 shillings for neutral flags. Allied flag voyages to India and the east, not north of Shanghai, via Suez, now command a rate of 50 shillings, compared with 60 shillings previously. Neutral ships' voyages on the same basis take a charge of 35 shillings, against 50 shillings.

Further Rate Changes

Shipments to and from the far east, north of Shanghai, via Suez, are now rated at 55 shillings for allied flags, as compared with 80 shillings. Neutral flags take a rate of 35 shillings, against 50 shillings previously. Rates on shipments on allied vessels to the east and far east via Panama have been reduced to 15 shillings from 25 shillings, while the neutral flag rate was cut to 10 shillings from 20 shillings.

May Buy Insurance Here

That there is no prohibition in the neutrality act against exporters obtaining marine or war risk insurance in this country to cover goods of any character shipped to any port or place in or out of the war zone has been announced by the American Institute of Marine Underwriters.

It advises that such insurance can be placed in exactly the same way as before the war, in dollars or foreign currency as required, and losses will be paid upon the same documents and in the same manner as before the war.

The act forbids export shipments to certain belligerent areas until all right, title and interest in the goods has passed to a foreigner, but the insurance can be for the account of the foreign owner after title is passed. In such cases there is no reason why claims may not be paid in this country against the usual documents and appropriate order from the owner of the merchandise.

The paragraph in the marine war risk agreement reading, "Risks transhipped

(CONTINUED ON LAST PAGE)

Broderick Group Has New Setup in Pacific Northwest

DETROIT — Through Armstrong Crawford, president of Great Lakes Casualty, and M. Robert Olp, vice-president of Dearborn National, announcement is made of the appointment of D. F. Broderick, Inc. (Washington) as northwest underwriting manager covering Washington, Oregon and Idaho. Offices will be located in Seattle and in Portland, Ore.

J. H. Glenn heads the new organization as president. Roy Martin, Jr., will be actively in charge of the business as vice-president and general manager. Robert E. Sharp will be vice-president and E. R. Wilkins claims manager.

New Manager's Career

Mr. Martin is a native of Washington, having been born in Seattle and attended the University of Washington. Although quite a young man, he has made a notable record in insurance. He has been for four years assistant manager of Swett & Crawford's Seattle office. He started with the Travelers, completing the home office training course in 1938, then serving as special agent in Seattle. In recognition of his part in making the Travelers Fire one of the leading premium producers in that territory, he was made an assistant manager in 1933. He joined Swett & Crawford in 1935.

Mr. Sharp was formerly with the Independence Indemnity and with Frizzell & Co. of Philadelphia. For the past three years he has been with Carl N. Corwin Company of San Francisco.

Broderick Organization Well Known

Mr. Wilkins was in the adjustment business in Portland under the firm name of Wilkins & Millot for several years. In 1937 he went with the United Pacific.

Field representatives for Idaho, Oregon and Washington will be announced at an early date.

The new organization will specialize in plate glass, burglary, automobile, public liability (all forms) and featuring all-risk policies covering rare and special events, fire, allied lines and inland marine.

The Broderick organization is well

Sim Wherry Shifted to Los Angeles Base

P. C. Van Deusen Home's Chicago Service Department Co-manager

NEW YORK—Effective Jan. 1, Sim E. Wherry, for the past 3 1/2 years manager of the Chicago service department of the Home, will assume the management of the Los Angeles office of the company, in recognition of highly creditable work. R. P. McGuire will continue as assistant manager at Los Angeles.

A native of Wyoming, Ia., and a graduate of the University of Iowa, Mr. Wherry, at the conclusion of the World War, in which he served as a lieutenant, entered the underwriting field as an inspector for the Iowa Inspection Bureau. In 1921 he was appointed special agent in the state for the National Fire of Hartford, continuing until 1930 when he assumed the state agency of the Southern Fire for Iowa and Nebraska. Twelve months later he was transferred to Minnesota for the Home fleet. On May 1, 1935 he was made associate manager at Philadelphia, a year thereafter being promoted to the management of the Chicago service department.

Paul Van Deusen Promoted

As successor to Mr. Wherry, of Wherry & Pfafflin, managers of the service department at Chicago, Paul C. Van Deusen, assistant manager of the service department in this city, has been selected, and will take the new office Jan. 1. T. K. Pfafflin is the other member of the firm. Van Deusen's entry into the business began as a field representative of the Factory Insurance Association, in January, 1919. Subsequently he was stationed at Raleigh, N. C., and still later at Syracuse, N. Y. He joined the Home forces in 1924, as special agent for its improved risk department, traveling New York state and the Canadian province of Ontario. He continued as a special agent for the service department, when that division was formed in 1930, being transferred to headquarters here three years later. His next advancement came in August, 1, 1937, when he was made assistant manager of the department.

known nationally as one of the most progressive and ably managed larger insurance organizations in America. It was incorporated in 1933 by D. F. Broderick, who has had a meteoric career. He received his early training in fire insurance in the home office of the Hartford Fire. Later he joined the agency division of the Travelers in Hartford. He has also served as an executive officer and director of several nationally prominent business and financial institutions.

Operates on Nation-Wide Basis

After several years' experience as a broker, a producer and in home offices, he developed a general agency on a nation-wide basis, with offices in Detroit, New York, Washington, Chicago and San Francisco. Three years ago he formed and established the Dearborn National, of which he is president. He is now also chairman of the board of Great Lakes Casualty, which he purchased earlier this year.

The Great Lakes Casualty, whose capital and surplus, Mr. Crawford stated, will shortly be increased, started operations in Detroit in June, 1933. Under Mr. Crawford's leadership it has made substantial progress.

Dearborn National was formed in 1936 by Mr. Broderick, with Mr. Olp as vice-president and operating head. Staff members were carefully chosen. The financial structure was very amply set up and unusual sales assistance was given to agents.

NEWS OF FIELD MEN

Driscoll New Head of Kentucky Group

LOUISVILLE—With three tickets in the field, the Kentucky Fire Underwriters Association held its annual meeting here, naming L. E. Driscoll, Norwich Union, as president, succeeding W. H. Strossman, Hartford Fire. Other new officers are: Vice-president, C. E. Fieldhouse, Home; secretary-treasurer, J. V. Bowman, Fire Association, succeeding P. C. Grider, North British & Mercantile, who had held the office for nine years and tried to resign last year.

W. H. Strossman was named chairman of the executive committee which has one holdover member, J. W. Bethel, Fireman's Fund; and three new members, M. C. Miller, Royal; R. J. Martin, Connecticut Fire, and Paul Grider, North British.

Distinguished Guests Talk

Strossman detailed the year's work and accomplishments. Several guests were introduced and talked briefly, including E. H. Born, assistant manager Western Underwriters Association, Chicago; Clem E. Wheeler, co-manager Hartford Fire, Chicago; B. R. Wallinder, hail department superintendent, and P. O. Johnson, executive special agent, American Fore group, Chicago.

The Kentucky Fire Prevention Association passed its semiannual meeting, as there was nothing of moment to discuss.

The Kentucky Blue Goose had a meeting and initiation, and a dinner-dance was held.

Crum & Forster Makes Field Changes in Wis. and Neb.

H. A. Preston, who succeeds Charles Martin as special agent in Wisconsin for Crum & Forster, got his early experience in the Columbus, O., office of Crum & Forster, later was transferred to the field office in Milwaukee and then sent to Nebraska as special agent. He is now being transferred back to Wisconsin as special agent under State Agent Dachenbach.

E. R. Sherwood, formerly an examiner in the western department office of Crum & Forster, is sent to Nebraska, replacing Mr. Preston, and he will work under the direction of State Agent H. H. Miller of Omaha.

Mr. Martin, who originally took the Northwestern University insurance course sponsored by the Westchester Fire, served his apprenticeship in the Chicago office of Crum & Forster and the western department office. Then for a time he was special agent in Nebraska. He was later transferred to Wisconsin and recently, owing to his desire to return to his home ground, he accepted a position with National American Fire of Omaha. Mr. Martin's father is Frank T. B. Martin, well known local agent of Omaha.

To Attend New Jersey Meeting

NEWARK—A number of company executives as well as virtually the entire membership of the New Jersey Special Agents Association have signified their intention to attend the 20th anniversary dinner of the organization, Dec. 11. Under the administration of President A. C. Bachman of the Home, the association has done and is doing, a fine piece of constructive work in New Jersey, and company officials are properly appreciative.

Monthie Named Special Agent

A. W. Monthie, rating advisor in the Albany, N. Y., office of the Glens Falls and Commerce, was promoted to special agent. He has had 14 years' experience with the New York Fire Insurance Rating Organization. He will assist and

work with Special Agents A. J. Davidson, W. H. Cowan, R. W. Smalley and C. I. Bush, whose territories comprise eastern New York from the suburban field to the Canadian border and his headquarters will remain at 100 State street, Albany.

Hear Social Security Talk

O. L. Zeus, assistant manager Travelers, San Francisco, explained the new amendments to the social security act at the San Francisco Blue Goose luncheon. C. N. Homer, Swett & Crawford, presided. The annual ceremonial and banquet will be held Dec. 4 and the Christmas luncheon Dec. 18.

L. G. Evans, National Automobile Club; D. M. Christian, Travelers Fire, and Arthur Piver, associate editor "Underwriters Report," comprise the new editorial board of "The Honk," official bulletin issued monthly by the San Francisco pond.

Hauenstein with National F. & M.

National Fire & Marine has received a license in Indiana and has appointed R. F. Hauenstein as general agent. Mr. Hauenstein has had about 25 years of field experience in Indiana, Michigan and Ohio. Lately he has been Indiana state agent of Illinois Fire. At one time he was in the Indiana field for the Meserole group. His headquarters will be at Elkhart, Ind.

Plan Fire Prevention School

The Oklahoma Fire Prevention Association, Secretary W. S. Eberle announces, will hold a three-day school for the benefit of field men in their work along that line. It is tentatively set for Jan. 22-24, depending on the convenience of H. K. Rogers, Western Actuarial Bureau, under whose direction the school will be conducted.

A special committee of the association met with local agents of Hugo, Okla., to arrange an inspection there, probably Dec. 7, the first of the season.

Mountain Field Club Elects

MANCHESTER, N. H.—The Mountain Field Club, composed of New Hampshire special agents, has elected the following officers: President, John A. White, Manchester, Boston and Old Colony; vice-president, D. E. Warren, Springfield Fire & Marine; secretary, F. E. Stanton, Jr., Great American; executive committee member for field men in Maine, Joseph Farmer, Portland, Agricultural.

Sweeney Looks Over Material

W. T. Sweeney, assistant U. S. manager of the Caledonian, was in Chicago this week, looking over field material preparatory to appointing a successor to the late George Meyer in Illinois and St. Louis.

NEWS BRIEFS

The Ohio Fire Underwriters Association will hold its next meeting in Columbus Dec. 5.

At the Iowa Blue Goose meeting Dec. 4, John Perry will describe the work of the Polk County Tuberculosis Association.

Speakers before the Ohio Stock Fire Insurance Speakers Association in Columbus Monday were Wilson Lively, Agricultural, and R. F. Nelson, America Fore. Next Monday B. F. Flood, Royal, will speak. A. C. Guy, Western Adjustment, will preside.

The Wisconsin Blue Goose will hold its dinner-dance in Milwaukee Dec. 9. Arrangements are in charge of the entertainment committee, headed by E. C. Hauser, North British. D. W. Swanson, St. Paul Fire & Marine, most loyal gander, will be toastmaster.

At the Minnesota Blue Goose meeting Dec. 18, moving pictures of the Minne-

sota University football games this season will be shown. The annual meeting will be held in January.

C. E. Bleckley, Topeka state agent of the Northern and Kansas B. D. O. chairman, is confined to his home by a heart attack, but is reported to be improving.

Public relations work of the National

Fire Protection Association was described by Percy Bugbee, general manager, to the Bay State Club, meeting in Boston.

The North Dakota Blue Goose held a well-attended luncheon in Fargo. The next luncheon is planned for Dec. 16.

The Minnesota Fire Prevention Association is inspecting Kenyon, Dec. 15.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

GENTLEMEN FARMER RISKS

Underwriters are giving much attention to the very decided trend of people to buy a piece of land in the country and some erect very substantial residences and outbuildings. The amount of ground purchased differs. It runs from an acre up to a good sized farm. Where farming is carried on actively the buildings become farm risks and are rated according to the farm schedule.

Most of these people, however, put up residences beyond fire protection limits and hence they take on the residential rate where there is no fire protection. Underwriters regard these risks as superior to the suburban developments put up largely by builders and contractors. Moral hazard is better and the buildings are more substantially erected. Therefore, most companies will write a larger net line than they would on properties in subdivision areas. The buildings are of a better quality although the fire protection is absent and that has to be taken into consideration. Companies are still fighting shy of very large and expensive establishments built beyond fire protection. There is considerable value in such and they may become very much of a "white elephant."

FIRE RATE METHODS HEARING

Another in the series of conferences to discuss fire rate-making methods employed in New York, will be held within the next few days, participants to be representatives of the department and the rating organizations of New York. The purpose of the gatherings—several of which have been held within the past three months—is to decide what changes, if any, should be submitted the joint legislative code revision committee for introduction at the next session of the legislature.

BROOKLYN OFFICERS RENOMINATED

J. E. Freis, president, and all other officers of the Brooklyn Insurance Brokers Association are recommended for reelection by the nominating committee. At the meeting at which the report was made, the speaker was G. R. Higgins of the Continental Appraisal Company, on "The Life of an Insurance Broker in England and on the Continent."

DUCTS INTENSIFY FIRE HAZARD

Air conditioning ducts may have a marked effect on fire loss possibilities in buildings, E. W. Fowler, National Board engineer, declared before the Fire Insurance Examiners Association of New York City. Where not properly installed and protected, such ducts may bring about a large loss from what otherwise might be an insignificant fire. This may be true of buildings of standard fireproof construction as well as other types. "The hazards of air conditioning systems have been illustrated by a number of fires, some of which have resulted in large losses. An important feature is the possibility of the ducts serving to spread fire through the building, causing it to pass quickly from floor to floor or from one fire section to another. Another is the possibility of spreading smoke, soot and smudge from even a small fire through the building causing heavy smoke damage.

"Fortunately there is now a trend to install small separate units for the various floors or sections of large buildings, rather than single systems having ducts going to all portions. This greatly

diminishes the hazard, as it avoids the passage of large ducts through floors and fire walls."

In addition to Mr. Fowler's talk, George Senn, Yorkshire, inaugurated the newly organized speakers' forum, speaking on "What the depression has done to fire departments, fire apparatus and fire protection."

President W. W. Dixon, Commercial Union, announced plans for the annual membership drive among the 250 companies with underwriting offices in New York.

Under the direction of George Farner, Yorkshire, secretary, the first issue of the association's monthly "Examiner" was delivered to the members.

NORTHWESTERN NATIONAL CASE

In instructing counsel for the Northwestern National of Milwaukee and that for the insurance department, to present their case before the appellate division of the supreme court, rather than have it tried before the supreme court, Justice Collins of the latter tribunal, appreciated the importance of the issue at stake, and recognized that whatever the decision of his court might be, appeal would be taken. He held it desirable to pass the hearing to the higher court directly. The point at issue is as to the right of the department to refuse renewal of license to the company in this state, for its alleged payment of excess commissions to brokers. Whether the department is within the law in the position taken is one that the courts must pass upon and which the department as well as the Northwestern National is anxious to have judicially settled. After petitions had been submitted to the supreme court by the two interests concerned, oral argument was heard. Both the department and the company then asked permission to file briefs. Should the appellate court insist on submission of briefs in printed form, it will likely be several weeks before the case gets before it for review.

Assignments Made for Committees at Wichita Meeting

V. G. Henry of Wichita, Kan., president of the Wichita Insurors and vice-president of the Kansas Association of Insurance Agents, becomes general chairman of the Wichita committee that will function in connection with the National Association of Insurance Agents mid-year meeting to be held there April 22-25. Associated with him on the general committee will be F. T. Priest, E. C. Beezley, Howard Fullington and A. E. Smoll. H. V. Schott will be secretary of the committee.

The following chairmen of committees have been appointed:

Transportation, R. E. Israel, Jr.; banquet and meals, D. T. Stover; entertainment, J. H. Burns, Jr.; finance, Dwight Smith; golf, H. A. Blinn; information, C. C. Anderson; monitor, L. B. Brown; publicity, B. S. Chapell; reception, C. K. Foote; registration and hotels, A. E. Smoll.

The Wichita Insurors are holding regular meetings every Wednesday at noon to discuss progress of the arrangements being made and to deal with convention problems.

NEWS OF THE COMPANIES

New Reinsurer to Have Large Surplus

National Reinsurance Corporation, that is being organized in New York, will be associated with Reinsurance Corporation of New York and the stock is being subscribed by the stockholders of the latter concern. National Reinsurance is being organized to write fire, marine and allied lines with capital of \$1,000,000 and net surplus \$5,000,000.

The new company will operate under the supervision of the Excess Management Corporation of which Edwin Stewart is manager. It will belong to the Excess Reinsurance Association, which consists of Reinsurance Corporation of New York and 10 direct writing fire companies. Excess Reinsurance Association writes traditional forms of reinsurance and also offers a market for catastrophe excess covers and various excess of loss arrangements that have been monopolized pretty largely by London Lloyds. The management of Reinsurance Corporation of New York states that the new company is being put into the field in anticipation of an increased demand for American excess reinsurance facilities in view of the European conflict.

The direct writing companies that are members of Excess Reinsurance Association are: Aetna Fire, American, Camden, Continental, Fidelity-Phenix, Fire Association, Hanover, Home, National Union and Springfield F. & M.

Examination Report Made on the Millers National

The report of the convention examination of the Millers National of Chicago by Illinois, Maryland and New Jersey, as of Dec. 31, is released. It shows assets \$6,641,017, premium reserve \$2,827,974, permanent guarantee fund \$1,000,000, net surplus \$2,391,252, 1938 premiums \$3,296,483, the straight fire insurance being \$2,181,547, total income \$3,526,667, losses \$1,225,709, total disbursements \$3,318,607. In its portfolio 73 percent of its holdings are in bonds, 9.45 in stocks, 18.7 in cash. The examiners say that all claims are adjusted in accordance with the policy contract.

The Millers National was originally incorporated as the Planters Insurance Company with home office in Springfield, Ill., the act being approved Feb. 16, 1865. It moved its home office to Chicago under an act approved March 29, 1869. It changed its name to the present in 1877. The Millers National carries excess catastrophe coverage with London Lloyds on all lines except hail and automobile. Its ratio of losses incurred to premiums earned last year was 38.54 percent, loss adjustment expense 3.1 percent, underwriting expense incurred to premiums earned 54.47 percent, investment expense 11.7 percent. The total percentage of losses and expenses incurred, and dividends declared, to total earned income was 97.06 percent.

Mutuals Can Insure Public Properties in Nebraska

LINCOLN, NEB.—Commenting on the recent ruling of the attorney-general of Texas that political subdivisions cannot purchase insurance from mutuals because the state constitution forbids authorizing any submission to lend its credit to any association or corporation, Attorney-general Johnson says that in Nebraska mutuals may write such coverage, as the state insurance code requires that mutuals, while permitted to operate without capital stock, must charge a fixed premium and maintain the same reserve as stock companies. In a recent opinion Mr. Johnson said in patronizing mutuals, public officials do not oblige

Ferguson Succeeds Sketch in Phoenix

E. B. Ferguson has been appointed general manager of the Phoenix Assurance of London. R. Y. Sketch, manag-



R. Y. SKETCH

ing director, will retire from that position at the end of the year to become chairman. A. M. Walters, present chairman, will retire and will retain a seat on the board. A. Battick has been appointed deputy general manager.

Insurance Women of New Jersey Active

Eighty-seven members and guests of the Insurance Women of New Jersey enjoyed an excellent dinner meeting at Newark. Mrs. Ada V. Doyle, president, presided. Harry B. Morton, of Marsh & McLennan, New York, prominent in the field of public speaking, was introduced by Program Chairman Mrs. Thelma Fleming, of the Manning-Brouard Co., Plainfield. Mr. Morton's discourse was a challenge to women to break down the barrier to success, by overcoming the use of the word "can't," and to take advantage of their keen intuitiveness. Stress was laid on four essentials: viz., Personality, knowledge, contacts, and speech thought.

A solo in the spirit of Thanksgiving was rendered by Marion Heim, of Feist & Feist, and the new theme song, written by Claire McCurry, to the tune of "Tipperary," was sung.

The appointment of Dorothy Schlichting, of Red Bank, as legislation chairman, was announced. Meetings in Monmouth county will be held for a group of 30 girls unable to attend the regular ones. Mrs. Doyle was accompanied by Donald Holmes, of Summit, for the initial meeting; and on Nov. 27 will be assisted by Mrs. Nolan, honorary president; Belle Helmlinger, of the Schedule Rating Office; Ethel Leonard, of Avon; and Margaret Judge, at the latter's office in Spring Lake.

John N. Cosgrove, assistant to the vice-president of the American Reserve, New York, will be the speaker at the December meeting. January, February, and March meetings will be held on Saturday afternoons, probably in New Brunswick, during this period of usually inclement weather.

the subdivision for which they act for any amount other than the fixed premium and hence there is no extension of credit of the state.

CONTACT!

"Contact!" yells the mechanic as he grabs the airplane propeller. "Contact!" replies the flier as he switches on the power.

When an agent "contacts" in a strong, forward-looking, service-minded company, he hooks himself up to power that can carry him a long way toward his goal.



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SAN FRANCISCO (Fire)—425 Montgomery Street
OFFICES: (Marine)—222 Sansome Street



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CAPITAL \$1,000,000.00



AS SEEN FROM CHICAGO

MORTGAGE SERVICE FOR BROKERS

William B. Nordhem, who has been in the insurance business for 25 years, has established Brokers Mortgage Bureau at A-2014 Insurance Exchange, Chicago. It will specialize in underwriting real estate mortgages of all types, leaving the insurance with the agent or broker. It is equipped to handle construction loans, purchase loans, refinancing and other mortgages and is an approved mortgagee to receive FHA mortgage applications. Mr. Nordhem states that the Brokers Mortgage Bureau is the answer to the problem of coercion of insurance by mortgagees which has cost every agent and broker desirable business. Its services are available to insurance men only.

W. B. Nordhem, Jr., who was formerly staff adjuster of Underwriters Adjusting at Fort Wayne, Ind., is associated with his father in the business.

NORDGREN HEADS LOSS ASSOCIATION

Elmer H. Nordgren of Fireman's Fund was elected president of the Western Loss Association at the annual meeting in Chicago. L. F. Piner, North British & Mercantile, is vice-president and Roy Nortman, Pacific National, secretary. New directors are Otto Voss, Firemen's, the retiring president, and M. D. Looney, Hartford Fire.

Mr. Nordgren has been with Fireman's Fund in the loss department since the war. He has been manager of that department since 1935. Before the war he was in the loss department of Phoenix of Hartford. He served as secretary of the Western Loss Association three or four years ago.

WILL SOON GO SOUTHWARD

C. E. Rollins of Rollins-Burdick-Hunter Company, Chicago, who retired from business a few years ago, has a summer home at Green Lake, Wis., and a winter home at Melbourne, Fla. Between times he and Mrs. Rollins spend a few weeks in Chicago. He has been in the city for three weeks and will soon leave for his Florida residence.

TO REVISE CONSTITUTION

The Insurance Club of Chicago will meet at 6 p. m., Dec. 5, in the Chicago Board auditorium. Peter Erickson, Underwriters Service, and W. E. Kufel, Phoenix of Hartford, will present their reports on revision of the constitution and bylaws.

The charter of the old Insurance Club of Chicago has been revised and approved and with adoption of the recommendations for amendment covered in the report the club will be prepared to move ahead on an expansion program. A speaker has not yet been selected for the meeting.

ORMISTON 26 CLUB SPEAKER

A. W. Ormiston, independent broker, will address the 26 Club at the monthly meeting Nov. 30 at 6 p. m. at Klein's restaurant, 302 South Wells, Chicago.

ASSOCIATES HONOR PLUNKETT

A dinner party honoring W. E. Plunkett, cashier Chicago office of Atlas, will be given Nov. 30. He is retiring after 30 years of service. Executives and employees will give him a gold watch and chain and a fountain pen. E. M. Schoen, manager, will present Mr. Plunkett a testimonial bearing the signatures of all the office members.

Mr. Plunkett plans to move from his home in Downers Grove, Ill., to Los Angeles.

INSTITUTE ENROLLMENT IS 358

Final enrollment in the Chicago courses of the Insurance Institute of America for 1939-40 is 358. Broken down by courses it is: Casualty I 58, casualty II 33, casualty III 33; fire I 88, fire II 55, fire III 37; inland marine 34.

It is reported that the students are showing a high interest in their work, which is primarily a reading course supplemented by lectures one night each week. Each lecturer is a well known authority in his particular field.

ANNUAL MEETING IS DEC. 15

The annual meeting and induction of officers of the Cook County Field Club will be held Friday, Dec. 15, at 6:30 at the Germania Club, Clark and Goethe streets. The meeting will be featured by a talk by the incoming president and professional entertainment. The meeting is open to members of the field club and office associates. Tickets are \$3.

J. R. Donovan, agency manager Automobile of Connecticut, visited the Chicago branch office last week.

J. K. Hooker, vice-president of the Automobile and Standard Fire of Hartford, was in Chicago early in the week en route to the Pacific Coast.

New Ohio Reference Book Is Now Ready

The 45th edition of the Underwriters Hand-Book of Ohio, published by THE NATIONAL UNDERWRITER, is now ready for distribution. It contains 888 pages of data, interesting and valuable to all who are doing business in Ohio.

In preparing this edition the compilers secured from the Ohio department 78,169 licenses. It is difficult to compare this figure with previous years as this year for the first time the agency was not required to have a separate license as it has been in the past. In 1938 81,977 licenses were received and the compilers estimate that taking this new situation in consideration there is little change in the actual number of agents in the state. The licenses were divided as follows: stock fire, 29,612, mutual fire 6,189, stock casualty, 16,260, mutual casualty, 6,356, life 13,107 and solicitors 6,645.

The new Ohio hand-book gives the complete list of agents and agencies in the state as licensed by the insurance department. These are arranged alphabetically by cities and towns and include the names of the companies represented, members of the agency, date established, other business transacted, if any, and other pertinent data. This covers life

agents as well as fire and casualty, stock, mutual and reciprocal.

Besides the agency data there is a vast amount of other information of interest. The companies licensed to operate are listed together with their officers, financial statements, addresses and field men or general agents. The names of the field men and general agents are given alphabetically in separate lists for easy cross-reference. Statistical data shows fire companies' premiums and losses for five years with classification of 1938 business, casualty classified by lines for two years and life insurance paid for and in force for six years.

Miscellaneous data is also given showing insurance organizations, lists of adjusters, classification of towns for fire protection, a resume of the insurance laws of the state and a showing of the special lines written by the companies. This new book brings together under one cover in condensed, carefully indexed, concise form the complete data on Ohio insurance-wise.

The Stuyvesant has been licensed in Ohio.

J. H. Hope has joined the George Strauss agency at Corpus Christi, Tex., as manager of the casualty department.

Increase sales with Policy Sales & Survey Analyzer. \$2. Order from National Underwriter.

Rouillard Injects New Elements in Agency Licensing

Commissioner Rouillard of New Hampshire, in addressing a dinner meeting at Nashua given in his honor by the insurance interests of the state, announced the department is proposing a new form of questionnaire to be completed by applicants for agents' licenses. One of the questions is whether the applicant is now a member or intends to become a member of any insurance as-



A. J. ROUILLARD

sociation and if so, he is asked to give the name of that association. Mr. Rouillard said that if it were legally possible he would require the applicant to agree to become a member of the proper state association to which he should belong.

Mr. Rouillard urged the agents' associations to adopt some system of qualification for their own members. For instance, he said, certain textbooks could be agreed upon and from these books, examinations would be given by someone who is not a member of the organization. The membership could then be classified, depending upon the ranks obtained in examinations. Possibly there could be three membership classifications. Grade A could include those who got a rank of 80 percent or better, grade B, 70 to 80 percent and C for all under 70 percent. The same qualification ratings could be given to office employees.

Mr. Rouillard said that after a few agents and employees had become class A members of their associations and had advertised their ranking, other agents would have the incentive to study and get into the top ranks.

Most applicants who are taking the examinations today are better prepared than when the examination law was first passed, he declared. However, some applicants state that they have never seen a policy such as they are to sell and they have been furnished with no information by their companies.

The department intends to make future examinations more difficult, so as to eliminate the unqualified.

The new questionnaires are to be used with new applicants only, but Mr. Rouillard said the department intends in due time to have every agent in the state complete one of these applications.

The questionnaire asks about the school training of the applicant and asks him to outline what lines of future education he intends to follow.

The dinner for Mr. Rouillard was sponsored jointly by the Nashua Fire & Casualty Association and the Nashua Life Underwriters Association. The other speakers included R. S. Perkins of Manchester, president New Hampshire Association of Insurance Agents; A. R. Mills, Manchester, president New Hampshire Life Underwriters Association;

Ethel M. Brown of Laconia, president New Hampshire Insurance Women's League, and A. B. White of Keene, former president New Hampshire Insurance Agents Association.

Roy Wheeler Detroit Manager of Hartford Fire

Roy E. Wheeler has been appointed manager for Detroit and Wayne county by Hartford Fire. He is a son of Clem E. Wheeler of Smith & Wheeler, western managers of Hartford. In Detroit he takes the place of Phil H. Boorn, who now becomes attached to the Cook county office of Hartford.

Roy Wheeler was formerly connected with R. B. Jones & Sons of Kansas City in charge of the Chicago office. Then he was connected with the Rollins, Burdick, Hunter Company of Chicago and recently joined Hartford Fire.

Pay 75% on General Claims

KANSAS CITY—It has been indicated that the Manufacturing Lumbermen's Underwriters, reciprocal being liquidated by the Missouri department, will pay about 75 percent on general claims, including those for return premiums, surplus credits, etc. The first three classes of claims—operating expenses, taxes and loans—all have been paid in full.

Bay State Acts Against Finance Firms, Insurers

Charges Discount People Violate Law by Acting as Insurance Agents

BOSTON—Petitions seeking to enjoin two finance companies and 81 automobile agencies and their representatives from negotiating renewal of automobile insurance policies with Motor Indemnity Association of South Bend, Ind., were filed by Attorney-general Dever in the Suffolk superior court Wednesday. The petitions also would be directed against any other company construed to be foreign, writing automobile fire, theft, collision and comprehensive.

The finance companies named are the

Associates Investment Company and the Associates Discount Corporation. They and 81 concerns selling automobiles are charged with acting as insurance agents and brokers in violation of the law. It is alleged the finance charges are high and that purchasers are compelled to buy their insurance from Motor Indemnity Association.

Mennie with Central Surety

A. D. Mennie, formerly surety superintendent for Royal and Globe Indemnity at San Francisco, has joined Central Surety as bond manager in the same city. He succeeds S. A. Hubbard.

Shepherd Providence Manager

S. W. Shepherd, formerly assistant manager, has been promoted to manager of casualty lines in the Travelers branch at Providence, R. I.

New York State Agent Allen J. Halsey of America Fore is observing his 25th anniversary with the organization Dec. 1, at which time he is being presented with Continental gold medal, and joins the "Old Guard." He has held the office of president of the New York State Association of Supervising & Adjusting Fire Insurance Agents and is a past president of the Underwriters Association of New York State.

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Insurance Company of New York
Organized 1849 Capital \$1,000,000.00

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

United States Fire Department
Switzerland General Insurance Company, Ltd.
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EDITORIAL COMMENT

Turning the Microscope on State Funds

READERS must have been struck by the coincidence that in the last edition of THE NATIONAL UNDERWRITER appeared reports of two stout addresses, deflating the claims of advocates of state workmen's compensation insurance funds. One of the talks was given in NEW YORK by W. W. GREENE, vice-president of GENERAL REINSURANCE, at the meeting of the CASUALTY ACTUARIAL SOCIETY. The other was given at OAKLAND, CAL., by ATTORNEY F. J. CREEDE at the convention of the CALIFORNIA ASSOCIATION OF INSURANCE AGENTS.

These two men spoke in measured terms. They were not engaging in mere name calling. MR. GREENE, an actuary and a most articulate one, had subjected the operations of the OHIO monopolistic state fund to the microscope and found evidence of what might be termed crystallization below the surface. MR. CREEDE contended that the CALIFORNIA compensation fund had been subjected to pernicious and wasteful influences of politicians and he went on to give an intelligent answer to some of the plausible theories that are advanced by the state fund apostles.

MR. GREENE calls upon the casualty business to make continuous study of state fund operations, to lay bare their weaknesses, to expose any false claims that are made in their behalf. He expressed particular indignation at a pamphlet that was put out a few months ago under the auspices of the department of labor, praising the state fund idea and supporting the

principle of such undertakings with figures which MR. GREENE views with a fishy eye.

We believe that MR. GREENE makes a worthwhile appeal. Probably insurance men take a defeatist attitude insofar as the existing funds are concerned, feeling that they are firmly entrenched and cannot be dislodged. They don't take the pains to analyze the operations of these funds and keep them under constant and severe criticism. When new funds are proposed, there is an outcry from the insurance ranks, but the evidence and arguments against state funds have to be assembled hurriedly. It would be more effective if the business should maintain a mass of factual and critical data that could be produced at the crucial time. The advocates of state funds are busy propagandists. Their arguments and their figures should be examined critically. If they are making irresponsible statements and are straining the figures to suit their purposes, they should be exposed. MR. GREENE has performed a valuable service in the research that he has conducted in connection with the Ohio fund and his invitation to others to supplement his studies should be accepted eagerly, perhaps by the ASSOCIATION OF CASUALTY & SURETY EXECUTIVES.

There has not been, so far as we know, a research into the subject of state insurance schemes as we find them today. There are always rumors and fragments of information but nothing factual and informative.

Custodians and Customer Assessments

LOCAL agents will be in accord with the ruling of Superintendent PINK of New York to the effect that cleaners, dyers and laundrymen, in making a so-called insurance charge to their customers are in violation of the insurance law and the practice must be discontinued. Very often what might be called custodians of other people's property such as warehouses, furriers, etc., secure a master policy, then assess an insurance charge on customers. In a number of cases cus-

tomers carry their own insurance but are obliged to stand the additional charge. All these custodians make a service charge and in addition where they do assess customers for insurance they create a fund for their general overhead. They naturally are responsible for property in their own hands, anyhow regardless of insurance. They should secure insurance in their own name for covering goods in their custody and the customer charge should be eliminated.

Company Funds and Agency Money

THESE are the days when strenuous efforts are being used by field men to collect balances that are overdue from local agents. November and December every year have become collection months. Field men carry with them records of delinquent balances and spend

much time endeavoring to get in payment so that in the annual statement blank the item of "overdue outstanding balances" will not be so great. There are some cases where an agent has been justified in holding back his money probably, due to disability, hard luck or some

other insidious condition. In many instances delinquency is due to bad habits. Agents get behind and keep getting behind.

The net insurance premium is placed in the hands of an agent as custodian. He occupies, therefore, a trust position. The gross premium does not belong to him. All that he can rightfully claim is the commission. The rest of the premium belongs to the company. Agents get into trouble because they use company money for their own expenses. Thus the fiduciary relationship is jarred. The agent gets behind, cannot pay and

the money that did not belong to him has been spent. Pooling of personal and company funds is highly dangerous.

Those agents that appreciate the sharp line of demarcation between the commission and net premium are able to meet their obligations to their companies because they keep a separate bank account for the trust fund and do not touch it. Thus they have the money in bank when the time comes for payment. If this practice were observed there would be no intensive high pressure collecting needed the latter part of the year.

Claim Men and Public Relations

L. K. BARCOCK, secretary casualty claim division of the AETNA LIFE affiliated companies group, in his public utterances points out the part that claim departments and adjusters should play in creating good will among insurance buyers. He declares that there is no department in a company's setup that can have greater influence in this direction, because of the opportunity offered to leave a friendly impression in the minds of claimants. This requires diplomacy and resourcefulness.

RALPH H. KASTNER, associate counsel of the AMERICAN LIFE CONVENTION, took the same stand in his address before the CHICAGO CLAIM ASSOCIATION. He said that the immense amount of money spent by

various branches of insurance along educational and public relations lines will have been in vain if men occupying such direct contact posts as claim men do not do their job well. He asserted that a company's efforts at conservation can be shot full of holes in large areas or communities by a single case mishandled through lack of correlation between the agent, the claim man and the home office. In view of the ominous shadows on the horizon and disturbing influences, MR. KASTNER made bold to say that the claim men and adjusters should be brought intimately into the picture so that the force of their influence can be used in any sort of public relations work.

PERSONAL SIDE OF THE BUSINESS

R. W. Reynolds, Fremont, Neb., agent, has announced his candidacy for Democratic national committeeman.

Commissioner Jess G. Read of Oklahoma has returned to his office after being confined to his home for several days with influenza. Reports from Mrs. Read, who underwent a major operation recently, are most favorable. She is returning home from the hospital this week.

Ralph Strasen was married to Lois Haveman of Oshkosh, Wis., this week. He is attached to the Green Bay office of the Western Adjustment as adjuster and is the son of G. A. Strasen, Wisconsin and northern Michigan state agent of the American of Newark.

Announcement has been made of the marriage of Victor A. Preslan, production manager of the C. E. Preslan Insurance Agency at Cleveland, O., to Miss Louise Marie Heller. The ceremony took place in the Methodist Episcopal Church at Rocky River, O. Following their return from a two weeks' honeymoon trip to Florida, the couple will reside at 2246 Northland avenue, Lakewood, O.

R. D. Watts, Jr., of Beckley, W. Va., son of R. D. Watts, Sr., head of the R. D. Watts Insurance Agency, and president of the West Virginia Association of Insurance Agents, was married at the Methodist Temple in his city to Miss Betty Margaret Jordan. The father

served his son as best man, while Miss Katherine Jordan, sister of the bride, was maid of honor. Miss Jordan attended school at Arlington Hall, Washington, D. C., and is the great, great granddaughter of General Alfred Beckley, who founded the city of Beckley in 1837. The bridegroom was a student at the University of Cincinnati and for the last two years has been associated with his father in the local agency.

Sidney O. Smith, Jr., son of the president of the National Association of Insurance Agents, has been elected captain of the football eleven of the Middlesex Preparatory School for 1940. Young Smith, who will be a senior next year, has starred at guard for the past two seasons.

Jennie Sue Daniel, who has located in Cincinnati to do trade newspaper work, at least for the time being, has established an office at 514 Main street in that city. She had a desk in W. A. Earls agency until recently. She will do general trade newspaper work. She was formerly in New York City as editor of the "American Agency Bulletin."

Henry Dimling, an adjuster at 416 West 8th street, Los Angeles, a former resident of Maryland, is now one of the great boosters for the west coast. He makes the following comment: "The following states could be placed in California: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island,



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Connecticut, New Jersey, Maryland and West Virginia, and we would still have a fairly good sized pasture on the outside edge of 2,026 square miles left over."

James T. O'Donnel, chief emeritus of the St. Louis Salvage Corps, is seriously ill in Alexian Brothers Hospital in South St. Louis. He joined the corps in 1896.

W. H. Lininger of Evanston, Ill., who retired as one of the western managers of the Springfield F. & M. group a few years ago, left last week for his winter home at the Lodge in the Desert, near Tucson, Ariz. His son conducts the lodge and Mr. Lininger built a home nearby.

H. W. Chesley of Chicago, assistant manager Western Underwriters Association, who was taken to St. Luke's Hospital in his city for observation and treatment, expects to be able to return to his home this week. He resides at 7242 South Coles avenue. It was found that an operation was unnecessary as his case responded to medical treatment.

Charles Watson, local agent at Geneva, Ill., and Mrs. Watson celebrated their 25th wedding anniversary recently. They held open house which was attended by their friends, including many engaged in insurance.

DEATHS

W. P. Lynch, assistant attorney for the Nebraska insurance department, died at his home in Omaha. He represented the department in matters connected with legal supervision of companies domiciled in Omaha.

W. M. Stewart, 53, Stewart, Stewart & Plant, Ottawa, Ont., active in insurance circles there for 30 years, died from a heart attack.

Sydney Tennyson Collins, who retired in 1921 as western manager of Providence Washington, died in Long Beach, Cal., at the age of 82. Funeral services were held at Hinsdale, Ill., which was his permanent home. He was born in Dublin, Ireland, and went to Quebec at the age of 15.

Mr. Collins started in the insurance business in Canada with Stanstead & Sherbrook Mutual Fire. Later he went with Phoenix of London in its Montreal general agency. He went to Chicago in 1879 with Commercial Union. After the Chicago world fair of 1893, for which he was in charge of insurance, he went with Fireman's Fund as assistant western manager. In 1901 he became assistant secretary of Traders of

Chicago. That company failed in the San Francisco earthquake and Mr. Collins then made his connection with Providence Washington.

A son, Sydney Collins, Jr., was until about five years ago a broker associated with Alexander Smullan & Co., of Chicago.

A. H. Nash, 70, president of the Abington Mutual Fire, Abington, Mass., and head of the Howland-Nash Insurance Agency of Whitman, Mass., was stricken with a fatal heart attack while returning from a football game.

Alexander Campbell, resident vice-president of Marsh & McLennan in Minneapolis and regarded as the dean of Minneapolis insurance agents, died at Abbott hospital at the age of 80. He had been ill about two weeks. He had been active in the insurance business in Minneapolis about 57 years. He was born in Cherryfield, Me., and went to Minneapolis in 1882, immediately engaging in the insurance business with Gale & Co. In 1905 Mr. Campbell and four other agents consolidated to form the Minneapolis Insurance Agency. This organization in 1925 merged with Marsh & McLennan and Mr. Campbell remained as vice-president. He was one of the founders of the Insurance Federation of Minnesota.

Mr. Campbell was a graduate of West Point and last summer attended the 60th reunion of his class.

C. N. Bartel, 51, local agent at Canton, O., died there from a heart attack.

B. J. Lemke, 33, president of the Lemke agency of Detroit, died at his home there.

F. A. D. Bullard, 70, local agent at Taunton, Mass., for 25 years, died there.

Early Arrivals at Edgewater Park

There will be some early arrivals next week at the mid-year meeting of the National Association of Insurance Commissioners at Edgewater Gulf Hotel, Edgewater Park, Miss. Commissioner Williams of Mississippi, chairman of the executive committee, will arrive early in the week, as will Commissioner Read of Oklahoma, secretary of the association. Director Ernest Palmer of Illinois will report Monday morning for a conference and will get in a couple of days of golf. It is expected that Commissioner Neslen of Utah, president, will also be one of the early arrivals. Some of the other southern commissioners, Harrison of Arkansas, Julian of Alabama, McCormack of Tennessee and others, are also slated to register before the crowd arrives.

According to

PHIL

By Phil Braniff
Insurers Indemnity &
Insurance Co., Tulsa



I'm not a man given to complaint. Beat me to my favorite chair . . . I don't say a word. Sneak the chitlins off'n my plate . . . do I even squawk? But when you garble up my Thanksgiving Day, I protest. This two-timing-turkey business gets me. Anyhow, here it is the second performance of the gobble day and I bow my head in official Thanksgiving.

Oh Lord, I'm thankful, I'm thankful for those four teeth I have left 'n the fringe of hair my barber gets four bits for pretending he cuts. I'm thankful for keeping us out of war and that I didn't bet anymore than I did that Notre Dame would beat Southern California, only it was bad enough the way it was. I'm thankful that I am not a turkey . . . or am I! I'm thankful for what insurance business I have, only couldn't You slow down my competitors a little bit . . . but maybe they're praying too . . . so let it go dog-eat-dog like it is.

Anyhow, here goes November and the last sheet on the calendar is face up. Icy streets will soon make automobiles dangerous to drive. Heating plants will be going full blast and stores will be crowded. Elevators will carry capacity loads and crowds will lean against plate glass windows. This is the peak load for dangers which people can insure against.

PHIL.

Pittsburgh Club Party on Dec. 15

PITTSBURGH — The Insurance Club of Pittsburgh will hold a pre-Christmas supper dance Dec. 15. Charles H. Bokman, New Amsterdam, is chairman.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Nov. 27th, 1939.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	123	127
Aetna Fire	10	1.60	49	51
Aetna Life	10	1.35*	31	33
Agricultural	25	3.25*	79	82
Amer. Alliance ..	10	1.20*	22	24
Amer. Equitable ..	5	1.20	21	23
Amer. Home	10	7	13	14
Amer. (N. J.) ..	3.50	2.50	50	52
Amer. Surety	25	1.30*	34	36
Automobile	10	2.50	6 1/2	7 1/2
Balt. Amer.	2.50	3.00*	96	99
Bankers & Ship. ..	25	5.00	615	630
Boston	100	21.00	20	22
Camden Fire ..	5	1.00	28	30
Carolina	10	1.30	32 1/2	35 1/2
Contl. Cas.	5	1.50*	37	39
Contl. N. Y.	2.50	1.80*	28	30
Crum & Forster ..	10	1.00	50	52
Employers Rein. ..	10	1.60	37	39
Fidelity-Phen. ..	2.50	1.80*	68	70
Fire Assn.	10	2.50	10	11
Firemen's (N.J.) ..	5	1.40*	31	33
Franklin	5	2.00	42	44
Gen. Reinsur.	10	1.20*	23	25
Georgia Home ..	5	1.60	40	42
Glens Falls	5	1.50	11 1/2	13
Globe & Repub. ..	5	1.20*	28 1/2	30 1/2
Gt. Amer. Fire. ..	1	1.20	11	13
Gt. Amer. Ind.	10	1.00**	17	19
Hartford Fire.	10	1.20	27 1/2	29
Hartford S. Boil. ..	10	2.00	81	83
Home Fire Sec.	10	1.60*	59	61
Home (N. Y.) ..	5	1.60*	1 1/2	2 1/2
Home Indem.	3	1.20*	32	34
Ins. Co. of N. A. ..	10	2.50*	12 1/2	14
Maryland Cas.	1	3.50	69	71
Mass. Bonding.	12.50	3.50	23	24
Mer. Com. (N.Y.) ..	5	1.70*	60	62
Natl. Cas.	10	1.20*	45	48
Natl. Fire	10	2.00	26	28
Natl. Liberty.	2	2.40*	62	64
New Am. Cas.	2	.65	7 1/2	8 1/2
New Hampshire ..	10	1.80	12 1/2	13 1/2
Northern (N.Y.) ..	12.50	5.00*	44 1/2	46 1/2
North River	2.50	1.20*	102	105
N. W. Natl.	25	5.75*	26 1/2	28 1/2
Phoenix, Conn.	10	2.50*	123	128
Preferred Accl.	5	1.00	79	81
Prov. Wash.	10	1.40*	15	17
St. Paul F. & M.	62.50	8.00	32	35
Security, Conn.	10	1.40	234	240
Sprgfd. F. & M.	25	4.75*	32	34
Travelers	100	16.00	123	127
U. S. Fire.	4	2.00	425	440
U. S. F. & G.	2	1.00	52	54
			22	24

*Includes extra. **Canadian funds.



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The NATIONAL UNDERWRITER

November 30, 1939

CASUALTY AND SURETY SECTION

Page Eleven

Chicago Control Program Is Now at Critical Point

George E. Turner Chosen as Arbiter for the Acquisition Cost Conferences

E. J. Schofield, national chairman of the fidelity and surety and casualty acquisition cost conferences, announces this week that George E. Turner of Hartford has been elected as administrator of rules at Chicago. There is no change whatever in the rules of the casualty conference adopted some time



GEORGE E. TURNER

ago and the only amendment to the surety conference is the granting of relief where a case is justified.

Mr. Turner is well known in the business. He formerly resided in Chicago, where he practiced law and later was head of the old Casualty Information Clearing House. He sprang from Indianapolis, being a member of the legal firm of Turner, Adams, Merrill & Locke. Claris Adams, now president of the Ohio State Life of Columbus, was a member of this firm. It specialized in insurance law and served many companies in a legal capacity. Mr. Turner went to Hartford where he served for some time as president of the First Reinsurance.

The office of administrator was created by the two conferences as part of the rules which they have adopted to govern acquisition cost in Chicago and Cook county. The administrator will act as the representative of the conferences and as arbitrator under the rules. This gives the Chicago area a direct contact between the two conferences and the local people.

(CONTINUED ON PAGE 23)

Safety Engineering Relation to Underwriting Reviewed

Retrospective rating should be one of the biggest weapons in a casualty engineer's hands in inducing an employer to follow out safety recommendations, J. F. Idler, Zurich, declared in addressing the Casualty Engineers Association of Chicago.

However, he pointed out that safety recommendations, if not thought out clearly and practically by the engineer before he makes them, place undue pressure on the underwriter, cause friction with the agent and are just as bad as not making any recommendations at all.

He said that the first requirement for a desirable risk is to find out whether the individual or corporation has the capacity to make money. If they are not efficient in this respect and other circumstances do not outweigh this consideration, there is no use going any further.

Company Not "Banker"

Some people mistake the function of the insurance company for that of the banker. The banker finances the enterprise. The insurance company helps to protect it and the men that work in the enterprise.

A second but not less important factor to look for is the determination of whether the man running the business is humane. If he does not have those human qualities of leadership which must embrace the principles laid down by the golden rule, it will be hard for him to be influenced in spending money for safety protection.

This type of individual is generally penny wise and pound foolish and is too short-sighted to see that a well founded employer-employee relationship based on mutual good will, together with a highly mechanized plant with safety principles integrated into all machinery, will produce bigger profits in the long run.

Should Be Sound Risk

No company should write a risk that is not within its capacity to underwrite on a sound basis. It should know what it is writing. It is said the only justification for a company having a prohibited list is that of staying within its capacity in selection of risks. For example, such projects as the Chicago subway should not be tackled by any carrier that has not within its organization the ability and resources to see such an undertaking through to the end.

In the analyses of risk performance made for purposes of developing retrospective rating formula it has been found that both manufacturing and construction risks are on a par as respects performance. No discrimination should be made in the choice of underwriting manufacturing rather than construction risks or vice versa except that the underwriter must stay within the capacity of his company.

As to the preference of writing one type of industry over another, the best index should be the National Safety Council's record year by year of frequencies and severities by industry. These are published yearly and should be in the hands of every underwriter and engineer.

Mr. Idler said there had always been

some division of thought on the type of reports that engineers should prepare. Some companies use a questionnaire with mostly yes and no answers. Others prefer a narrative report.

Frequently the questionnaire form is desirable for a certain complicated type of risk or where a company is embarking in a new field and it is necessary that the engineer remember every detail.

In this class can be put such risks as oil drilling, amusement parks, special types of construction such as subways, new surveys of grandstands, etc. As for the narrative form, the average underwriter by this time usually knows what to visualize in a machine shop or foundry, bakery or average building project.

Concerning retrospective rating the argument has been advanced that if the engineer spends too much time lowering losses the company will have to pay back just that much money under the retrospective plan. The published objective of the retrospective plan was to give the assured a share in the savings and losses that could be effected by the assured's cooperation with the engineer. It is a balanced plan and it is recognized that savings will be made below the minimum premium on some compensation risks. These savings are to take care of risks which run over the maximum premium.

If engineers do not see to it that the company makes money below the minimum premium on most retrospective rated risks the company may be looking for a premium it cannot find to take care of the losses on risks that run over the maximum.

New Attack Made on Compensation Rates in California

SAN FRANCISCO—Bearing out opinions that the recent attack on compensation rates, instituted by John C. Stirrat, manager California state fund, and supported by G. C. Kidwell, director of industrial relations and Governor Olson, was but the foundation for a proposed state-wide campaign to arouse public support for a state monopoly, Kidwell has issued a release to newspapers, insinuating that private carriers are "mulcting" employers and "cheating" injured workers.

Kidwell's statement is based upon the demand recently made by Stirrat that Commissioner Caminetti order a 26.8 percent reduction in compensation rates by cutting the expense loading in half. The newspaper release emphasizes "outrageous and unholy" highness of operating costs of the private carriers. It is held that the proposed rate cut would reduce compensation premiums \$8,000,000.

Kidwell's release also attacks the statements made by Frank J. Creede before the recent convention of the California Association of Insurance Agents.

Commissioner Caminetti will hold his next rate hearing Dec. 19.

Reinsurance Rule Is Formulated by Ohio High Court

No Liability on Treaty Until Loss Is Paid by Reinsured Carrier in Cash

Reinsurers are not liable to the receiver of a reinsured company until the reinsured company has paid a loss in cash, the Ohio supreme court ruled last week in the case of *Mattie Stickel vs. the Excess*, on a claim originating under a Central Mutual of Chicago public liability policy issued to the Erie Motor Freight, Inc.

Save for the famous case of *Fidelity & Deposit vs. Pink*, decided similarly by the United States Supreme Court last year, it is the only finding of an important court which goes contrary to a long series of rulings by United States and British courts which held at the insolvency of a reinsured company the reinsurer was liable to the reinsured, whether the latter paid the loss or not. Outstanding among these older decisions was the *Allemania vs. Firemen's* case of 1908, decided by the U. S. Supreme Court, which had been governing and was cited by attorney for the plaintiff in the Ohio case.

Language Clear in Treaty

The treaty of the *Excess* with Central Mutual was specific, in that it agreed to reinsure and repay any amount of "ultimate net loss reinsured," in excess of \$5,000/\$10,000 limits in any one accident, up to \$145,000/\$240,000, and defined "ultimate net loss" as "the sum actually paid in cash in settlement of losses for which the company is liable," after deductions are made for recoveries, salvage and other reinsurance, and insurances, excluding all expenses, for salaried employees incurred in investigation, adjustment and litigation.

In the *F. & D. vs. Pink* case, both the federal district court for the southern district of New York and the second circuit court of appeals had held the reinsurer liable to the reinsured on the basis of the *Allemania* decision, although the treaty provided reinsurance against loss and the reinsurer was not liable until it received proof of payment by the reinsured company.

Insolvencies Hold Up Payment

In the Ohio case *Mattie* and John *Stickel* were physically injured in a collision between an automobile in which they were riding and a motor truck of the Erie Motor Freight. They brought separate damage actions against the freight company and recovered judgments for substantial amounts.

These judgments remained unsatisfied because the motor freight company and the Central Mutual became insolvent.

ent and were placed in receivership. Thereupon the Stickels sought payment from the Excess. Their theory was the Excess was indebted to the Central Mutual because of the Stickel judgments and the amount should be applied to pay these judgments. The trial court so found.

Appeals on questions of law and fact were taken to the court of appeals where final judgments were entered for the Excess by a unanimous court on the basis that under the reinsurance contract no liability for payment rested on the reinsurer until the Central Mutual had paid its money in settlement of the loss for which it was liable. Appeal then was taken to the supreme court.

Excerpts from Opinion

Justice J. Zimmerman of the Ohio tribunal, who wrote the opinion, three other justices concurring and two dissenting, held that the reinsurance undertaking ran solely to the Central Mutual and the Stickels were not parties to the contract, nor in any contractual relationship whatsoever to the reinsurer. The opinion held privity was entirely absent and in such circumstances the courts generally have held no right of action, legal or equitable, to exist against the reinsurer in favor of the creditor of the reinsured under an original insurance policy.

The Stickels also claimed the benefit of the reinsurance contract by virtue of a section in the general code requiring the motor transport company to file a public liability insurance policy adequately protecting public interest as a prerequisite to issuance of a certificate to the truck carrier. The Ohio opinion stated obviously this requirement had reference to a policy of the type delivered by the Central Mutual to the Erie Motor Freight. "It cannot be extended or enlarged to include a policy of reinsurance, which is an entirely different sort of instrument," the opinion stated.

Two Principles Set Forth

"It has long been an established rule that contracts of insurance should be construed like other contracts, so as to give effect to the intention as expressed by the language of the parties," the court held. "It is equally well settled that all provisions of a contract must be construed together in determining the meaning and intention of any particular clause or provisions thereof."

"As we read sections I and II of the contract under consideration, in the light of the above rules, they say that the Excess Insurance Company agrees to reinsure the Central Mutual Insurance Company as respects third party automobile public liability policies, and in this manner: By repaying any amount of ultimate net loss, i.e., the sums actually paid in cash in settlement of losses, which the Central Mutual may pay in excess of stated amount and under specified conditions.

Payment Condition Precedent

"Indemnification for a loss is thus clearly stated, and actual payment in cash of a loss by the Central Mutual Insurance Company for which it is liable is a condition precedent to the duty of the reinsurer to pay.

"As between the Allemania and Pink cases, supra, our opinion is that the latter is more applicable. In distinguishing the Allemania case, it holds that the liability of a reinsurer is to be determined by the terms of the particular reinsurance contract; and when such contract provides that the reinsurer is not to become liable except upon actual payment of a loss by the reinsured, no liability occurs until the reinsured has in fact paid. Under a policy so worded, the insolvency of the reinsured is a matter of no moment.

"As has been observed sections I and II constitute an agreement of indemnity for loss. The query then suggests itself: When does the obligation as to such indemnity begin? Section III contains the answer. By its terms, the liability to indemnify for loss com-

TWO PRESIDENTS TO SPEAK



SIDNEY O. SMITH

The presidents of two major agents organizations are billed to speak at the mid-year meeting of the National Association of Insurance Commissioners at Edgewater Park, Miss., the first week of December. Sidney O. Smith of Gainesville, Ga., is the new president



CHARLES J. ZIMMERMAN

of the National Association of Insurance Agents, and Charles J. Zimmerman of Chicago, general agent of the Connecticut Mutual Life, is the new head of the National Life Underwriters Association. Both have a busy year ahead of them.

mences at the instant the reinsured incurs liability under the original policy. In other words, by virtue of section III, the liability of the reinsurer 'to repay any amounts of ultimate loss' begins simultaneously with the liability of the reinsured on its original policy, although the reinsurer cannot be called upon to part with its money until the reinsured has in reality paid a loss.

Time Fixing Is Necessary

"For illustration, original claims in the amounts contemplated by the contract of reinsurance are not usually satisfied at once. Negotiations and frequently litigation precede payment, often resulting in considerable delay. If the obligation of the reinsurer to 'repay' were not definitely fixed as to time, cancellation or expiration of the contract would enable it to escape as to claims which arose during the life of the contract but were paid by the reinsured subsequent to its termination.

"The language, liability 'shall be subject in all respects to all the general and special stipulations, clauses, waivers and modifications of the original policy,' etc., as used in section III, does not mean that the original policy is to be incorporated into and made a part of the reinsurance contract, but that the stipulations, etc., referred to shall be taken into account as they may affect the liability of the reinsurer to the reinsured. The 'ultimate net loss' which the reinsurer is required to pay is only 'the sum actually paid in cash in settlement of losses for which the company (reinsured) is liable.'"

Finds No Error in Trial

No error was found in judgment of the appellate court and this was affirmed.

Kirkbride, Boesel, Frease & Cole of Toledo represented the Excess, and Lord, Bissell & Kadyk filed a brief as amicus curiae for the Employers Reinsurance of Kansas City, their local counsel being Hauxhurst, Inglis, Sharp & Cull of Cleveland.

Big Seattle Performance Bonds

SEATTLE—Performance bonds totaling \$943,000, covering 25 percent of the total bids of \$3,772,000, have been awarded on the rehabilitation of Seattle's municipal railway system. The General Casualty of America wrote \$485,000 covering three contracts.

Douglass Heads Chicago Managers; Name Changed

H. N. Douglass, resident manager New Amsterdam Casualty, Chicago, was elected president of the Casualty Managers Club of Chicago. He succeeds E. I. Fiery, manager Royal Indemnity.

Vice-president is James White, manager liability department Travelers; secretary-treasurer, L. S. Jones, manager Ocean Accident and Columbia Casualty.

Named to the executive committee were Mr. Fiery, W. C. Eaton, superintendent underwriting Zurich; John Pabst, manager Fireman's Fund Indemnity; J. B. Munson, vice-president Bankers Indemnity, and E. L. Stephenson, resident vice-president United States Casualty.

At the meeting some discussion centered around acquisition cost, but no official recommendations were adopted. Members of the group are looking forward to meeting with E. J. Schofield, chairman acquisition cost conference, and George Turner, the recently appointed administrator, who arrives in Chicago next week.

The proposal to change the name of the club to "Casualty Managers Association" was adopted.

New California Procedure if "Comp" Payments Stopped

SAN FRANCISCO—Injured workmen whose compensation for continuing disability has been arbitrarily discontinued by insurance companies or employers in disregard of final orders of the industrial accident commission of California will hereafter have available forms on which workmen whose payments have been stopped prior to the termination of disability can petition the commission for a certified copy of its final order, according to Chairman Kidwell. When the commission grants such a petition, the workman can take his certified copy to the office of the county clerk where a judgment will be immediately entered in favor of the employee for the amount mentioned in the findings and award and he can then obtain a writ of execution which may be levied on any property belonging to the defendant or insurance carrier in the county in which the certified copy has been filed.

Limited Auto Form Doing Job It Was Intended to Do

The \$1,000 automobile liability policy is doing the job which it is intended to do, according to A. D. Bryan, home office field supervisor of the Aetna Casualty. In pushing this form, the Aetna Casualty seeks to reach the lower income group, which is not in a position to buy the regular \$5,000/\$10,000 limits. Although the exact figures are not available, Mr. Bryan estimates that approximately 75 percent of the applicants for the \$1,000 form were previously uninsured. The home office carefully checks all applicants for the \$1,000 policy who previously carried higher limits. Agents are asked to report on these cases and in most instances the economic status of the applicant has been lowered so that he is forced to take the limited coverage if he is to be insured. In order that efforts on the \$1,000 policy be continued in the right direction, the applications will be checked for some time to come.

Converted to Higher Limits

Approximately 25 percent of the \$1,000 policies are being converted to higher forms as they come up for renewal. When this limited form was promoted, it was done so with the idea that it would serve to educate the uninsured on insurance and later they could be converted to the broader limits.

The safe driver reward plan is working out well, according to Mr. Bryan, who said the agents are getting splendid reaction from their clients when they deliver the reward checks. One enterprising agent kept the envelopes in which the checks were sent and made up a window display. The envelopes were addressed to different individuals who had received the checks and the display had an excellent testimonial value.

Companies Seeking New Business Created by Act

Casualty, surety and marine men have finally begun to go after the new business made possible by the Illinois truck act. Many offices are giving out detailed pamphlets outlining the important phases, classes of vehicles affected, exemption, registration requirements and types of insurance required, etc.

Evidently the companies will be required to print the forms to be used. The forms have been worked out, but as yet have not been approved by the department of insurance and the department of public works. Samples are on hand at the division of motor vehicles, department of public works, Springfield, Ill.

For each of the various kinds of insurance required there will be a special form having an original and three duplicates. One copy will be kept by the agency, another will be sent to the home office and two will be kept by the department of public works.

It is expected that the National Bureau of Casualty & Surety Underwriters will print forms for some of the companies.

Ministers Mutual Reinsured

The Ohio department has approved plan for the reinsurance of the risks of the Ministers Mutual Automobile of Gambier, O., by the Community Mutual Casualty of Cincinnati. H. J. Weaver was president of the Ministers Mutual, F. C. Seitz vice-president and W. C. Seitz, secretary.

Alabama Guest Law Upheld

BIRMINGHAM, ALA.—The Alabama supreme court has upheld the constitutionality of the 1935 guest act requiring proof of wilful or wanton misconduct of drivers in damage suits growing out of automobile accidents. The decision which affirmed the lower court involved a \$20,000 damage suit.

"Cooperation" and the Co-ops

George Melsha Warns of Public Misunderstanding Due to Insurance Men's Fondness for Term "Cooperative"

George E. Melsha of New York Underwriters, who has launched a crusade to coin a new expression for the commonly employed term "cooperative" effort in referring to various undertakings for the common welfare on the part of stock insurance interests, elaborates his ideas in a further communication to THE NATIONAL UNDERWRITER. Mr. Melsha has corresponded on the subject with E. R. Hardy, manager of the Insurance Institute of America, and with Walter H. Bennett, general counsel National Association of Insurance Agents.

Mr. Melsha feels that use of the word "cooperative" to define such undertakings may cause confusion in view of the fact that the stock companies are now conducting a campaign to bring home to merchants and industrialists the threat of consumer cooperatives.

Ray Murphy Misapprehended

Mr. Melsha states that he is not building a mountain out of a molehill. He refers to the way in which Ray Murphy, assistant general manager of the Association of Casualty & Surety Executives, was misquoted in a newspaper following his address in Rochester, N. Y., "The Road to Ruin." Mr. Murphy in that talk denounced the consumer cooperatives but the editor misinterpreted the entire substance of what Mr. Murphy had said and published an editorial, "A Bit Confused," taking Mr. Murphy to task for his broad suggestion that all cooperative groups were laying the ground work for communism.

Mr. Melsha said that Wellington Potter of Rochester wrote a letter to the editor clarifying the situation. The letter was captioned, "Clarifying a Question on the Co-ops." Without Mr. Potter's aid, Mr. Melsha states, a large portion of Mr. Murphy's speech would have been rendered ineffective, the public would have remained confused, and capital stock insurance would have suffered damage, in public opinion.

Mr. Melsha declares that some say the new world war was started because "Poland failed to display cooperation in negotiations with Germany. England sought Russia's cooperation in vain. And what could be more confusing than the cooperation between Hitler and Stalin? Russia broke off diplomatic relations with Finland and is now menacing that country because there wasn't enough cooperation, while Germany threatens to march into Belgium because of too much cooperation with the British blockade. Cooperation, therefore, seems destined to bring about nothing but confusion."

Fondness For "Cooperation"

Fire insurance men, particularly, have developed a peculiar weakness for the word "cooperation," he said. Mr. Melsha referred to the fact that the newly elected president of the Institute of Life Insurance, Holgar J. Johnson, referred to that project as a "coordinated effort for making available to the public the facts about our business." If fire insurance companies were starting a similar venture, he vouchsafed that they would call it a "cooperative enterprise."

Mr. Melsha referred to a letter written by a field man who has been active in attacking consumer cooperatives to the president of a business association stating, "our interests in this matter are mutual and if we are to overcome the many difficulties we are now faced with it must be done by complete cooperation."

"We can never gain the public's confidence by deploring cooperation in one sentence and pleading for it in the next. We should at least exercise care and sincerity in the use of our words."

"If we succeed in convincing the public that cooperative activities are a

subterfuge for the implantation of collectivism and communism in this country, can we blame it for suspecting the 'cooperative activities' and 'cooperative organization' in our own business? The muddled application of these words will to a great extent offset the effectiveness of our campaign against cooperative or socialized business and might eventually lead us into embarrassing situations where no little explaining will have to be done."

Mr. Melsha refers to a recent edition of an insurance publication containing an article on one page captioned, "War on Cooperatives" and on the facing page another article captioned "Need of Sincere Cooperation." A few pages further on there is an article headed, "Full Cooperation Promised," and again, "Non-Affiliation Cooperation."

"Let us hope that Mr. Hardy and the committee will not be bound by tradition and cling too religiously to words which might better be changed. After all, changing a word is not as important as changing the date of Thanksgiving—or is it?" Mr. Melsha asserts.

Consumers' Research Incident

"I would like to call your attention to the article 'Guinea Pigs, Left March!' which appeared in the October issue of the 'Reader's Digest.' The article purports to give evidence that under the guise of the consumers' movement radicals are attacking our entire economic system. The author assails the entire consumers' movement and condemns practically every organization with the word 'consumer' in its name as though they were all influenced by left-wing purposes and ideas."

"Now it so happens that there is an organization called 'Consumers' Research' which is very much to the 'right' and has on many occasions expressed its outspoken preference for the enterprise or capitalist system. 'Consumers' Research' is not dissimilar to the Underwriters' Laboratories in that it likewise maintains a laboratory for testing products and grading them scientifically for the benefit of the consumer. The confusion caused by the article, however, was apparently so great that 'Consumers Research' felt it necessary to devote a couple of pages in one of its bulletins clarifying the situation for its subscribers. Under the heading 'The Reader's Digest Gets a Muddled Appraisal of the Consumer Movement' the bulletin explains its position and I quote below a few of the statements 'Consumers Research' was obliged to make in its own defense:

Opposed to Communism

"It was made to appear that Consumers' Research's work is based on a Marxist philosophy. No responsible person should write in so muddled a way that he fails to show clearly the difference between communist directed consumer organizations and organizations which would like to see all traces of totalitarian influence and activity extirpated from our country and our government. Readers have a right to expect that a writer will not himself confuse or permit his readers to confuse the one with the other. Consumers' Research has on many occasions expressed its unqualified opposition to communism, and collectivism in all its forms—including recent governmental attempts at setting up a central control of American economic life."

"The insurance fraternity is beginning to attack the entire consumers' movement into which fit not only the consumer cooperatives and credit unions but also the consumer research organizations. Witness, for example, page 3, the Nov. 16 issue of THE NATIONAL UNDERWRITER, where the proceedings of the profit motive session of the Califor-

Need Not Take Compulsory Liability from Brokers

BOSTON—The Massachusetts supreme court has upheld the decision of the Suffolk county superior court that insurance companies are not compelled to accept applications for compulsory automobile liability insurance from brokers, in the case of M. S. Neustadt vs. Employers Liability, Massachusetts Bonding and Preferred Accident.

The plaintiff alleged that the defendants and other companies had unlawfully combined and agreed to establish "approved lists" of insurance brokers and to write no insurance through other brokers.

The court found that the actions with which the companies were charged were such as any individual might employ in his business and there was nothing to show any unlawful object.

Attends North Carolina Hearing

RALEIGH, N. C.—A. E. Spottke, head of the automobile department of the National Bureau of Casualty & Surety Underwriters, represented that body at the hearing before Commissioner Boney here, when automobile liability rates for the state were under review. Following approval of a new rate schedule which became effective Nov. 1, the commissioner found the new figures, instead of effecting a decrease in rates as had been anticipated, actually resulted in an overall advance, due to the far larger number of motorists that would be embraced in the "B" classification than had first been figured. An effort to arrive at a more accurate determination of the several classification groups was the purpose of the conference.

Casualty Lectures to Brokers

SAN FRANCISCO—L. M. Caldwell, assistant vice-president Fireman's Fund Indemnity, gave the second half of a comprehensive lecture on products liability coverages to the educational class of the Insurance Brokers Exchange this week. Gilmore Ware, assistant manager United States Fidelity & Guaranty in San Francisco, will give two lectures on miscellaneous liability lines Dec. 4 and 11.

S. C. Carroll Cincinnati Speaker

CINCINNATI—S. C. Carroll, vice-president Mutual Benefit Health & Accident, will speak on "Money" Dec. 8 at the meeting of the Cincinnati Accident & Health Association.

W. Brodnax, president Universal Life & Accident of Dallas, was compelled to observe both Thanksgiving days this year, on account of the "regular" holiday being nearest his birthday. He was born Thanksgiving day, Nov. 28, 1870.

nia Association of Insurance Agents are reported. Consumers research organizations are mentioned as a major classification of the cooperative movement, giving the impression that all consumer research agencies are opposed to the private profit system and are planning to overthrow our form of government.

"Such, however, is not a true generalization. Consumers' Research upholds the capitalist system vigorously and should not be confused with the left-propaganda agencies—such as Consumers Union, which likewise test and grade products for the benefit of consumers. Insurance men, therefore, would do well to qualify and clarify their wholesale indictment of consumers research organizations lest they, too, be accused of creating a muddled picture for listeners and readers."

"It is just as easy for the public to confuse our cooperative organizations and cooperative activities of insurers with the socialistic cooperative movement, as it is for fire insurance men to confuse Consumers' Research with the socialistic consumers research organizations."

War Restrictions Hamper Operations

Delayed Mail and Cable Messages Especially Affect London Lloyds Agents

Agents in the United States for London Lloyds, and United States branches of English and French companies, in their correspondence with the head offices are having great difficulties imposed due to war restrictions on cables and mail.

The ocean steamer mail service is very unsatisfactory, it is reported here. Up to 20 days may be required for reply. For years it has been the custom of offices in this country dealing abroad to schedule mail for certain steamers. Knowing the scheduled arrival time on the other side, they could calculate the progress of the correspondence very closely, and frequently deals on this side were predicated on this time schedule. Now that is impossible.

Mail Delivery Uncertain

It never is known what steamer certain mail will go on, nor what route it will take nor time it will arrive over there. In fact, due to the German submarine blockade there is always danger of an English or French steamer being sunk and the mail lost.

Offices, therefore, since the submarine warfare started have made a practice of making all correspondence in duplicate and sending the copy by Clipper airplane. The route is indirect, landing in Portugal, then being flown from Lisbon by air to destination in France, England or other countries. However, the cost is great, being 30 cents for each one-half ounce.

In this overseas correspondence the cables always have played a great part, especially in London Lloyds business. But serious restrictions have been laid down on use of cables. Messages no longer can be coded. Even the well known cable addresses have been discontinued. This is for the convenience of censors through whose hands all messages to the fighting nations must pass.

Cable Expense Much Greater

Overnight cable no longer can be sent, as was a common practice on London Lloyds business in the past. These now must be sent "LC" which corresponds to a day letter telegram and increases the cost about 50 percent. The longer messages made necessary by decoding further raise the expense.

Additional difficulties are encountered in sending cable messages due to the fact that for one reason or another these may be held up by the censors. Thus the cable sent "LC" may arrive promptly in London, but may be delayed so that instead of being delivered in the morning it is delivered in the afternoon. Due to London Lloyds' practices this results in loss of the entire day so the correspondence cannot be considered until the next day.

Inconveniences Claim Handling

These correspondence difficulties are especially encountered in handling London Lloyds claims. Except for the very small claims which are handled in this country, London Lloyds methods dictate that proof of loss must be received by the underwriters on the other side and the claim approved there before it can be paid in this country. This requires that London Lloyds agents in the United States send proofs of loss by mail to London, or rather to the London suburban location where Lloyds' major operations have been moved during the war. The agents in this country therefore have to wait on claim payments until they receive a cable from Lloyds approving payment. London Lloyds agents pay the expense of all messages that they send abroad.

CHANGES IN CASUALTY FIELD

Napp Chicago Agency Supervisor

Frank S. Napp has been appointed agency supervisor in the central department of Ocean Accident and Columbia Casualty in Chicago, succeeding Theodore W. Magnuson, who is returning to the claim division in charge of bonding and burglary losses.

Mr. Napp has been accountant in the Chicago office about three years. Previously, since 1932, he had been in the accounting department at the New York head office of Ocean Accident. At one time he was assistant to the chief accountant of Commercial Casualty. Then from 1913-1926, he was connected with New York Indemnity. He returned to Commercial Casualty and served as special agent in the New Jersey field for three years. Mr. Napp thus has had practical field experience in addition to a thorough knowledge of the inside procedures.

James T. Whalen is taking over the supervision of compensation and accident and health losses in the claim di-

vision at Chicago. Harry Milak becomes accountant, succeeding Mr. Napp. He has been connected with the Chicago office for a number of years.

Campbell Shifted to Chicago by Hartford Steam Boiler

F. S. Campbell, special agent Hartford Steam Boiler, has been transferred to the Chicago office from Minneapolis, where he has represented the company for the past five years in Minnesota, North Dakota and western Wisconsin.

He has been with Hartford Steam Boiler for seven years, going to the company from Westinghouse Electric & Manufacturing Company where he spent seven years, after receiving a degree of B.S. in electrical engineering from the University of Nebraska in 1926.

Callaway Goes to Detroit

R. H. Callaway, special agent of American Automobile in Chicago, has been transferred to the Detroit branch as special agent to handle city business. He has been in insurance work about five years, formerly having been with

the W. A. Alexander & Co. life department in Chicago, then with American Automobile about three years, traveling in Cook county and downstate Illinois. At Detroit he is associated with W. E. Wald, manager.

Street with London Guarantee

Gordon P. Street of Chattanooga, for the past five years field representative of the Electric Home & Farm Authority in east Tennessee, has resigned to become special agent of the London Guarantee & Accident. He will handle credit insurance in Tennessee and north Georgia.

Earl Hanefeld, Ottawa, O., has been elected a director of Pioneer Mutual Casualty, Tiffin, O., to take the place of Bert Russell, recently deceased. Mr. Hanefeld has become substantially interested in the company and henceforth will take an active part in it. He was formerly director of agriculture for Ohio, which included operating the state fair for seven years.

Kenneth H. Wheelock, Portland, Ore., resident manager of the Pacific Northwest department of the Employers group, has resigned due to ill health.

W. G. Carver, formerly assistant manager of the Employers Casualty in San Antonio, Tex., has joined the San Antonio agency of the Southwestern Life.

COMPANIES

Change of Domicile Completed

Stockholders of Excess, the casualty reinsurer, at a special meeting approved the proposed change of domicile from New Jersey to New York. At the same time the New York and New Jersey departments approved the agreement of consolidation and a license was issued to the consolidated corporation by New York. The new company has the same name and has the same officers and directors as the New Jersey corporation. New stock certificates will be issued to present holders, share for share.

Due to the severe personal property tax imposed by New Jersey municipalities, a number of insurance companies in the last year or so have changed their domicile from New Jersey to New York, taking advantage of a comparatively new law of New Jersey permitting a New Jersey corporation to merge with one of another state.

Occidental Indemnity in Illinois

Occidental Indemnity of San Francisco has been licensed in Illinois, with John Pabst acting as manager of the mid-western division. This company, which heretofore operated only on the Pacific Coast, has applied for licenses recently in most of the states, and has already been licensed in Wisconsin, Kansas and New York. Occidental Indemnity is owned 100 percent by the Fireman's Fund, and underwriting in the mid-west will be handled by the Fireman's Fund staff. Mr. Pabst also is manager in middle west territory for Fireman's Fund Indemnity.

The American Guarantee & Liability, Zurich affiliate, has been licensed in Ohio.

Portland Surety Men Elect

PORTLAND, ORE.—The Surety Association of Portland held its annual meeting with surety girls of the city as guests. President Adeline Kendall of the Insurance Women of Portland spoke briefly.

The association elected the following officers: C. A. Tomassene, Commercial Casualty, president; Raymond Weiss, U. S. F. & G., vice-president; Phil Liveley of Bates, Liveley & Pearson, secretary-treasurer. George E. Griffith of U. S. Forestry Service spoke on "Insuring Oregon."

Send \$2 for Policy Sales & Survey Analyzer to National Underwriter.

ACCIDENT

Few Carriers Now Writing A. & H. Installment Coverage

NEW YORK—Few, if any, casualty companies are still writing accident and health policies guaranteeing continuance of installment payments to manufacturing or merchandising concerns in case the purchaser is unable to complete payments due to disabling injuries or accidental death. The idea originated some years ago, and a determined drive was made to sell it to concerns throughout the country marketing their wares on the time-payment plan. A rate of 1 percent of the amount of the money due was charged for the indemnity where the installment limit was 12 months; with a slightly higher rate if the payment period covered 18 or 24 months.

The scheme, it developed, lent itself to the imposition of fake claims and gave the carriers an adverse risk selection. The protection was secured mainly on persons whose credit was open to question.

Edmunds Milwaukee Speaker

MILWAUKEE—Rex Edmunds, vice-president and agency manager Fidelity Health & Accident, Benton Harbor, Mich., spoke on "The Modern Version of Accident and Health Selling," at the monthly luncheon meeting of the Milwaukee Accident & Health Association. He based his talk on actual experience in the use of modern selling ideas.

List Los Angeles Nominations

LOS ANGELES — Byron D. Williams, Connecticut General Life, has been nominated for president of the Los Angeles Accident & Health Managers Club; F. B. Alldredge, Occidental Life, for vice-president, and Carl Jobe, Retail Credit, George Neale, Hollingsworth & Co., and George Howell, Maryland Casualty, for directors. Officers will be elected at the December meeting. Mr. Williams announced that Otto Kloppenberg, Hartford Accident, will be the new secretary-treasurer.

George L. Kent of the Better Business Bureau of Los Angeles told of the history and activities of the bureau.

Profit-Making Clinics Barred

LANSING, MICH.—Passage by the 1939 legislature of an act legalizing the organization of non-profit medical service or "health insurance" associations does not permit incorporation of profit-making clinics operated by doctors, according to H. M. Warner, state corporation and securities commissioner, who rejected proffered articles of incorporation for such an organization in Traverse City on advice of the attorney-general's department. It had been held previously that a corporation may not legally practice medicine in this state.

First Concern Under New N. Y. Law

Medical & Surgical Care, Inc., of Utica, has been granted a permit by the New York department, as the first non-profit medical indemnity concern under a law passed at the last session of the legislature. The concern is granted a permit to solicit subscribers. No business can be transacted until a license is obtained.

There is an annual charge of \$16.90 for the subscriber who is gainfully employed. For an additional \$13.80 the spouse and unmarried dependent children of the subscriber between ages 16-18 can be covered. Dependent children between ages one and 16 can be included for an additional premium of \$8.40.

The maximum for which the insurer is to be liable for the gainfully employed subscriber is \$225. For the named assured and one dependent the ceiling is \$325 and for three or more persons enrolled from the same family it is \$425.

"SERVICE BEYOND THE CONTRACT"

That is the way one agent describes Ohio Casualty claim service. Not only prompt and efficient, but individual and courteous—truly a service which is "beyond the contract."

Ohio Casualty adjusters and claims representatives enjoy no regular office hours. Night and day, in 48 states and Canada, they are ready at all times to render the kind of service that builds business.

Combined with sound structure and a line of profit-making coverages, Ohio Casualty offers a worth while opportunity to agents in unassigned territory. Full details, upon request.

THE OHIO CASUALTY INSURANCE COMPANY

HOME OFFICE

HAMILTON, OHIO

There is a \$6 deductible. The subscriber is free to select his own doctor. Doctor F. M. Miller, Jr., is president and H. C. Stephenson is general manager.

Mass. Indemnity in Detroit

Massachusetts Indemnity has opened a branch at 1555 Union Guardian building, Detroit. Russell White is the manager for Michigan.

Newark Club Meets Dec. 7

The Accident & Health Club of Newark is holding its next regular meeting at 5:30 p. m., Dec. 7, at 42 Commerce street, Newark. Much important business appears on the agenda. John L. Leibig, Continental Casualty, past president of the Philadelphia Accident & Health Club, will speak on "Governmental Interference in Our Business."

At its Dec. 6 luncheon meeting the Accident & Health Managers Club of San Francisco will discuss plans for a special Christmas dinner.

The Chicago Claim Association will hold its Christmas party Dec. 20 at the Sportsmen's Club, 360 North Michigan.

ASSOCIATIONS

H. A. Martin New President of St. Louis Association

ST. LOUIS—H. A. Martin, resident vice-president Maryland Casualty, was elected president of the Casualty & Surety Underwriters Association of St. Louis at the annual meeting. Other officers elected were: Vice-president, J. L. Patterson, Massachusetts Bonding; secretary-treasurer, F. H. Doenges, Fidelity & Deposit; executive committee, E. M. Myers, Fidelity & Deposit; Henry Bush, United States Fidelity & Guaranty; Howard Blair, Aetna Casualty; E. A. Luther, National Surety, and H. A. Martin, Maryland Casualty.

New Hampshire Official to Speak

BOSTON—J. F. Griffin, commissioner of motor vehicles of New Hampshire, will describe that state's system of handling assigned automobile liability insurance risks at a dinner of the Association of Casualty Underwriters of Boston, Dec. 7.

Restrict Des Moines Membership

DES MOINES—The Des Moines Casualty & Surety Club voted at its meeting Monday to admit only salaried employees of conference companies, excluding local agents as well as non-conference members.

The club set its Christmas party for Dec. 16 and will complete plans for the affair at the meeting Dec. 11. The executive committee, headed by President J. R. Owens, will be in charge of the party.

N. J. Annual Meeting Dec. 13

NEWARK—The annual meeting of the Casualty Underwriters Association of Northern New Jersey will be held Dec. 13. E. H. Babbage, vice-president Bankers Indemnity, heads the nominating committee.

Stockseth to Talk Dec. 8

George Stockseth, chief elevator engineer Continental Casualty, Chicago, will give a chalk talk on construction engineering at the meeting of the Casualty Engineers Association of Chi-

cago, Dec. 8, at 6:30 at the Midland Club.

K. C. Claim Men Elect Dec. 4

KANSAS CITY—The Kansas City Claim Men's Association, headed by C. A. Bantleon, Central Surety, will elect officers at its meeting Dec. 4.

PERSONALS

Hugh B. Clark, superintendent of accounts of the Minneapolis branch of the American Surety and New York Casualty, was presented the "Legion of Honor," the highest award of the Order of DeMolay, at a public ceremony.

Judge W. D. Gray, 55, associate justice of the Massachusetts superior court, and formerly a member of the firm of Sawyer, Hardy, Stone & Morrison, insurance attorneys, died suddenly of a cerebral hemorrhage at his home in Woburn. The law firm also included E. C. Stone, United States manager Employers Liability.

W. F. Somerville, assistant secretary St. Paul-Mercury Indemnity, is on a month's motor trip through the south with his wife and daughter.

Fred H. Smith, who had been supervising auditor in the central department of Ocean Accident and Columbia Casualty for 20 years, died unexpectedly at his home in Villa Park, Ill. He was about 50 years of age. His earlier experience was with Hartford Accident in Chicago in the auditing department. Funeral services were held at the Congregational Church in Villa Park.

H. S. Ollendorf, superintendent of the payroll auditing department at the head office, went to Chicago for the funeral.

E. D. Loring, resident vice-president in Chicago of American Automobile, is passing out the smokes this week upon the advent of John Robbins Loring, nine pounds. Mrs. Loring and the child are at Passavant Hospital. The Loring have another son, Edward Robbins, two years old. Robbins is a family name of Mrs. Loring.

Miss Alice Triplett Nelson, daughter of J. Arthur Nelson, president of New Amsterdam Casualty, will be married to Thomas M. Jacobs Wednesday evening, Dec. 20, at St. David's Church in Baltimore. A reception will be held at the Baltimore Country Club.

Miss Nelson has always been a popular member of the casualty convention at White Sulphur. Mr. Jacobs, who is the son of Dr. W. H. Jacobs of Baltimore, is a graduate of St. Johns College and Harvard Law School. He is a member of the law firm of Pearre, Kiefner & Jacobs. The couple will make their home in Baltimore.

Fred Freel, top producing life and accident agent of the Travelers in the Des Moines branch, has found time to act as manager of the Des Moines Comets, professional football team. He says his insurance business is continuing at a fast clip, largely through the publicity he has received and new contacts made.

Mrs. Cary Baker, wife of the southeastern manager of the Hartford Accident in Atlanta, died from burns received in a fire in an apartment in which her husband was also injured.

H. T. Roos, superintendent accident and health department Massachusetts Bonding, Chicago office, is now on the staff of "The Concentrator," his company's monthly publication. He heads a department called "Gusts from the Windy City."

Frank O. Dean, 51, for 14 years Maine state manager of the Travelers, died in Portland, Me.

The agency of the late F. W. Coates in Dubuque, Ia., will be continued under the name of Coates Insurance Agency.

Richard Burr has purchased the half interest in the J. C. McCoy agency Sioux Rapids, Ia. The new firm is known as McCoy & Burr. I. G. Hatlin has purchased a half interest in the Sioux Rapids Insurance Agency there.



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WORKMEN'S COMPENSATION

New Digest Will Be Distributed

NEW YORK—The Association of Casualty & Surety Executives announces that a new edition of the "Digest of Workmen's Compensation Laws" is now being printed and will be ready for distribution on or about Dec. 31. A special feature will be a binding method which makes the publication virtually permanent and completely current. This digest will consist of 51 separate booklets comprising approximately 1,000 pages, bound together in a stiff texhede binding. This method will make it possible to keep the volume thoroughly up to date merely by replacing or adding individual booklets as subsequent amendments or enact-

ments dictate, without requiring biennial revision of the entire book and consequent purchase of a new edition. The current revision is through the year 1939 and is the sixteenth edition, the first having appeared in 1913. It covers the workmen's compensation laws in effect in the United States, Alaska, Hawaii, and Puerto Rico, and the federal law applicable to longshoremen and harbor workers and to the District of Columbia.

Much Interest Taken in C. W. Hobbs' Book

Casualty people are much interested in the second edition of "Workmen's Compensation Insurance Including Employers Liability" by C. W. Hobbs of New York City, representative of the National Association of Insurance Commissioners on the National Council on Compensation Insurance. He is a former Massachusetts insurance commissioner. This is an extensive work, the publishers being McGraw-Hill Book Company. It sells for \$5 and can be purchased from THE NATIONAL UNDERWRITER. The book gives a complete explanation of the problems and practices of workmen's compensation insurance and description of the basis of that insurance and the problems of industrial accidents, employers liability, compensation, legislation and malingering. Every practical detail is covered thoroughly. From the problems of industrial accidents, the history and defects of liability systems, development of compensation efforts and the nature of present compensation, to principles and methods of compensation insurance as practiced today, this volume gives very definite and usable information.

Rate Credits Proposed in Texas for Safety Work

DALLAS—The Texas Insurance Board has set Dec. 14 for a public hearing on the proposal for a system of compensation insurance credits for safety efforts. The board has invited suggestions for improving the plan proposed at a rate hearing last September. It is suggested that credit be allowed for the functioning of a safety committee or organization in an attempt to encourage employees and management to take active interest in accident prevention activities. Effectiveness of the effort would be judged by the Texas insurance department and the casualty commissioner would have the authority to grant or withhold credit according to the effectiveness of the organization.

No credit would be allowed for safety organization work unless it had been carried on for at least 90 days, and no credit would be applicable to any risk which does not qualify under the experi-

ence rating plan. When the requirements have been met, the risk would be experience rated by applying to the classifications applicable manual rates which have been reduced 5 percent. The credit for meeting requirements for first aid training, applicable only to risks which qualify under the experience rating plan, would be a reduction of 5 percent from manual rates.

Missouri Reduction of 12.5% Is Expected to Be Approved

JEFFERSON CITY, MO. — Insurance Superintendent Lucas of Missouri has announced that he will soon issue an order establishing lower compensation rates for 1940. It is anticipated that the new schedules will follow closely the proposed rates submitted by the National Council on Compensation Insurance, providing for average reduction of 12.5 percent in the rates. This will reduce the premium volume approximately \$850,000.

There were no objections at a public hearing on the new schedule so it is believed it is acceptable to the insurance department. G. V. Fuller, secretary National council, outlined the new schedules.

The proposed rates provide for a reduction of 14.2 percent in manufacturing lines, 12 percent in the contracting field and 11.9 percent in other lines of work combined in a general grouping. The three groups embrace approximately 600 classifications. Under the new schedules there would be reductions in all rates except for clerical office and department store workers, which remain unchanged.

Another hearing is to be held in January for a discussion of rates for occupational diseases.

Employers Are Critical at Minnesota Rate Hearing

ST. PAUL—Sharp criticism of compensation insurance rate making methods in Minnesota was made at the hearing on 1940 rate proposals submitted by the rating bureau. Both the companies and the Minnesota compensation insurance board came in for censure from representatives of employers.

The state board was accused by R. J. Hendershott, representing the Associated Contractors of Minnesota, of relying too much on factual matter provided by the insurance companies rather than compiling such data itself. He also complained that the board paid little or no attention to suggestions made by his organization.

The 40 percent loading charge proposed by the rating bureau again this year was called "grossly exorbitant" on the ground that compulsory coverage greatly reduced the item of acquisition costs. A. V. Williams, representing the Minnesota Employers Association, asked the board to make a special inquiry into this subject.

G. S. Johnson, for the painters and paperhangers, suggested that rates be figured on a man-hour instead of a payroll basis and demanded that the state enforce the law requiring employers to carry compensation coverage. He said in his industry hundreds of employers are evading the law.

Retrospective rating came in for an airing with employer spokesmen urging a change in this plan.

The 1940 rate proposals call for an average reduction of 4 percent. A loss constant of \$9 is provided for manufacturing and \$4 for contracting. G. B. Fuller represented the National Council on Compensation Insurance and J. F. Reynolds the rating bureau.

Prepare for Mississippi Fight

JACKSON, MISS. — Mississippi is preparing for a battle in the next legislature over a proposed compensation law. Proponents have organized a committee with J. K. Morrison as executive secretary. Opposition has developed aided by Senator T. G. Bilbo.

California Labor Federation in Attack on State Fund

SAN FRANCISCO—Attacking administration of the state compensation fund and the industrial accident commission, the California Federation of Labor through Secretary E. D. Vandelleur has issued a statement based on a report submitted by a committee of five vice-presidents of the federation.

The committee found that in many cases "injured workers have been virtually forced to quit a competent specialist in their particular case and go to favored doctors of a political clique of the fund or commission who are unsympathetic and prejudiced against workers." Further the report says: "Labor does not want politicians to make guinea pigs out of injured workers, and demands that the unfair tactics now being resorted to be stopped. When politics instead of humanity control the treatment of an injury that may result in a worker being disabled for life, it is time to call a halt."

"Our investigation indicates that one way to eliminate unjust and vicious practices in this respect is to set up a panel of honest doctors, competent to treat industrial accident cases, with labor and all other interested groups having a voice in the selection."

"We, therefore, suggest that doctors for such panels shall be selected by a committee composed of representatives of the state and county medical societies, the Universities of California and Stanford medical schools, insurance carriers, employers and labor."

Reported findings of the Federation of Labor committee apparently bear out the contention of F. J. Creede, compensation attorney of San Francisco, in an address before the California Association of Insurance Agents, in which Mr. Creede told of activities of officials of the state fund under previous administrations in turning over all the medical treatment in San Francisco to one doctor and the practice of bringing injured men and women to San Francisco for treatment by the staff of this doctor when such treatment could have been rendered just as well at home.

Name Permanent K. C. Officers

KANSAS CITY—Approximately 69 attended the permanent organization meeting Tuesday of the Kansas City Accident & Health Club. Temporary officers were confirmed with the addition of Gen. Garrett Walsh, Massachusetts Bonding, as vice-president; Minor Z. Abel, Business Men's Assurance, secretary, and these executive committeemen: C. V. Cochran, General American Life; Clarence Lucas, Columbian National Life; Roland Westover, Aetna Life; Don Lawrence, Travelers. The association will be affiliated with the National Accident & Health Association, and already has a membership of over 40.

Mrs. Beverly Van Buskirk, daughter of C. W. Fairchild, general manager, Association of Casualty & Surety Executives will leave Dec. 5 with her little four months old daughter Judith on the China Clipper for Manila, where Lt. Van Buskirk will be stationed. The plane leaves San Francisco Tuesday morning and arrives in Honolulu the following morning. After a day and a night there, they will fly to Midway Island where they will spend the night. The third stop will be at Wake Island and the fourth at Guam Island, arriving in Manila the fifth day. It is believed that Judith will be the youngest person ever to fly the Pacific.

Accident & Health Club of New York will hold its Christmas Party at the Hotel Pennsylvania.

G. H. Reed has become associated with R. T. McElroy, Ottumwa, Ia., local agent.

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Chart Shows Coverage of Losses Arising Out of War

Because of the interest in war risk insurance and in hazards allied with war, the following chart of hypothetical losses and the contract or contracts covering them was prepared by J. C. O'Connor, editor "Fire Casualty and Surety Bulletins" of THE NATIONAL UNDERWRITER. The contracts referred to are the standard fire policy, extended coverage endorsement, simple explosion policy, riot and civil commotion policy, limited or "non-warlike" vandalism and malicious mischief endorsement, broad or "warlike" vandalism endorsement and war risk and bombardment policy.

It is believed that these conclusions apply to any of the standard fire policies used in the United States. The recently adopted mandatory endorsements to the riot and civil commotion policy and the extended coverage endorsement are contemplated in this chart. The vandalism and malicious mischief endorsements in mind are the ones adopted by the Explosion Conference in September for use with the riot and civil commotion policy and the similar ones being put in force in most jurisdictions for use in connection with extended coverage endorsement.

	Fire Pol.	Ext. Cov.	Exp. Pol.	RCC Pol.	Lim. Van.	Broad Van.	War & Bomb.
Malicious fire by secret agents or sympathizers	X						
Malicious explosion by secret agents or sympathizers		X	X	X			
Malicious damage by disgruntled employees					X	X	
Malicious damage by secret agents of belligerents						X	
Malicious damage by unofficial sympathizers or fanatics					X	X	
Malicious damage by secret agents of government not at war					X	X	
Malicious damage by secret agents of revolutionary faction					X	X	
Bomb dropped accidentally by U. S. army airplane during peacetime maneuvers		X	X	X			
Same, but U. S. is at war		X	X	X			
Accidental crash of U. S. Army airplane in peacetime		X					
Same, but at maneuvers during war		X					
Accidental explosion of shell made for U. S. or other army		X	X	X			
Mob of foreign sympathizers incited to burn plant		X					
Enemy declares war, shells plant							X
Foreign country bombs plant without declaring war							X
Enemy army seizes and burns plant							X
Neighboring plant bombarded by enemy, fire spreads						X	
U. S. airplane crashes or accidentally drops bomb while fighting invasion						X	
Foreign secret agent plants bomb in neighboring plant, fire spreads to insured property	X						
Same, but concussion damages insured property		X	X	X			

*A loss of this type would undoubtedly involve a close question of fact as to just what acts or state of affairs constitutes "war, invasion, civil war, insurrection, rebellion, revolution, or other warlike operations (whether war be declared or not) or civil strife arising therefrom." Hence, an exact forecast of losses in these categories is impossible.

†This is open to question, but it seems reasonable to assume that the courts will restrict "war," etc., to mean actual fighting and not training operations or maneuvers removed from this. The wording of the war risk and bombardment policy strongly implies that coverage of these losses is contemplated under other policies. If not covered by the other policies, these losses would probably be covered by the war risk and bombardment policy.

Extend Long Term Retrospective

The new alternative retrospective rating plan of workmen's compensation insurance for construction contracts which are expected to run more than one year to completion is being extended to all states in which retrospective rating is in force. Filings and approval by state commissions are necessary in some cases and it may be that not all states will approve it.

Announced recently as applicable in New York, the new plan permits these risks to be rated as a unit for their entire term under the retrospective plan, independent of the other operations of the assured, provided the contract develops sufficient premium by itself to qualify for retrospective rating. In most states the minimum premium for eligibility is \$5,000.

Wapiti of Wawanesa, Manitoba, has been absorbed by its parent institution, Wawanesa Mutual.

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War Risk and Bombardment Cover Sale Is Urged

DETROIT—In these times of unrest agents will do well to give some thought to the sale of war risk and bombardment cover now being offered by the companies as a separate policy, Clarke Smith, Chicago, Royal-Liverpool group, told the Detroit Association of Insurance Agents at the November dinner meeting. H. W. Peacock, Kelly-Halla-Peacock agency, presided.

Coverage Now Sold Separately

This coverage, formerly supplied as an endorsement on riot and civil commotion insurance, is now sold separately for a maximum term of one year and a minimum term of one month, Mr. Smith said. The policy is non-cancellable either by the company or the assured for one month, but this non-cancellable period may be extended for any number of months up to six at an increase of from 20 percent for two months to 100 percent for six months.

Such coverage should make a particular appeal to manufacturers in the border cities such as Detroit and in the

entire Great Lakes area, he said, because this area takes a lower rate than the seaboard areas.

President Peacock appointed a nominating committee to report at the next meeting, headed by A. J. Rhode.

Mortgagees Learn Value of Extended Coverage

CINCINNATI—The fact that the insurance required by a financial institution to be carried by a home owner when he is repaying the loan on his home is habit forming and that after the loan has been repaid, it is likely that the owner will continue to carry the same coverage, was emphasized by J. C. O'Connor, editor Fire, Casualty & Surety Bulletins, in a talk before the Greater Cincinnati Savings & Loan Exchange on the extended coverage endorsement. Mr. O'Connor pointed out that under the endorsement, seven important coverages in addition to fire and lightning are included at a 14 cent per \$100 rate in Hamilton county, two cents less than the windstorm rate alone. In order to secure full coverage under the endorsement, it is necessary that all fire policies carried on the same risk be similarly extended, otherwise, in the event of loss, the coverage is prorated over the other fire policies carried.

Mr. O'Connor said that insurance should be bought to cover any loss which the assured could not afford to bear. It does not make any difference what causes the loss, the important thing is to be protected. He cited the New England hurricane as an example of what "can't happen here," few New England property owners carrying windstorm insurance prior to the hurricane.

Test of Necessity

Although fire is the agency from which a loss is more probable, Mr. O'Connor asked why the assured should permit himself to worry over the probability of some other loss when it is the function of an insurance company to assume that "headache." "Improbability," he said, "does not make people smaller losers when an improbable loss occurs. The assured should ask not whether a loss is going to happen, but can he afford it if it does."

The advantage of the extended coverage endorsement is that it does not require the mortgagee to keep track of a stack of policies; the coverages are all included in a single policy, giving protection against as many hazards as possible, and affording the same amount of protection against all losses.

Mr. O'Connor pointed out particularly the desirability of carrying adequate windstorm insurance, for it may be required to pay the fire loss, since the fire policy is void if fire results after walls collapse, except for the fire damage. The expense of moving debris after a windstorm loss may be as great as the rebuilding cost, he pointed out.

The standard fire policy does not cover fire loss caused by riot, even if the riot does not occur on the premises. These are two important gaps in the regular fire policy which can be plugged only by the extended coverage endorsement, Mr. O'Connor asserted.

Need for Liability Cover

Mr. O'Connor stressed the need for liability insurance, stating that a \$4,000 judgment for injury to a delivery boy was as important as any other \$4,000 loss.

After Mr. O'Connor's talk there were a

considerable number of questions as to whether depreciation insurance could be obtained. One questioner pointed out that there was no doubt in his mind that depreciation should be deducted from sound value in the event of loss on something like a roof, which had a limited life, but he failed to understand why the insurance companies deducted depreciation when joists and sills required replacing as the result of a loss. He said that his organization was obliged to take 25 percent depreciation on a partial fire loss when \$6,000 fire insurance was carried on a property, the cost to the organization for replacement being \$6,300. Under Ohio law, the face of the policy must be paid in the event of total loss.

Another questioner suggested that earthquake should be included in the endorsement coverage.

Theodore Safford, former president Cincinnati Fire Underwriters Association, and R. S. Winnard, Cincinnati manager of Fire Association, took part in the discussion.

Parcel Post Insurance

Sales opportunities created in the parcel post insurance field because of the approach of the Christmas season are outlined in an article appearing in the current issue of "Aetna-izer," Aetna Casualty house organ.

The article points out that every merchant, jobber and manufacturer who ships by parcel post or first class mail has need for parcel post insurance and that now is a particularly appropriate time for soliciting such business. A number of important advantages accruing from such solicitation are outlined and many helpful sales hints are offered.

Program Is Completed for Fire Marshals' Conference

At the conference of the fire marshals' section of the National Fire Protection Association in Chicago Dec. 4, special interest will be shown in the discussion of sabotage prevention which will be led by T. A. Fleming of the National Board and Fire Marshal W. J. Scott of Ontario, who is chairman of the section.

Another feature of the meeting will be a report on pyromania by Assistant Fire Marshal W. S. Bucklew of Ohio. A. Bruce Bielaski, head of the arson division of the National Board, is scheduled to discuss recent developments in arson control and Engineer E. J. Smith of Underwriters Laboratories will discuss developments in connection with the safeguarding of liquefied petroleum gases. Dr. D. J. Price and H. E. Roethe of the department of agriculture will discuss spontaneous combustion of hay and other farm products. Executive Secretary Percy Bugbee of the N. F. P. A. will report on the campaign for a model state fireworks act.

On the next two days will be held meetings of the farm fire prevention committee of the N. F. P. A. and the agricultural committee of the U. S. Chamber of Commerce.

Order Against H. M. Caldwell in Los Angeles Is Vacated

The appellate department of the Los Angeles superior court has directed that the order against H. M. Caldwell on charges of violation of the California insurance code be vacated. Mr. Caldwell was convicted in Beverly Hills police court on a charge of effecting insurance with a non-admitted carrier without being licensed as a surplus line broker. The appellate department ordered a rehearing.

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John Holmes' Duel Proposal Is Gaining Momentum

Commissioner John J. Holmes of Montana, who has suggested a duel between Emile Bienvenu of New Orleans, chief examiner Louisiana department, and Commissioner Gontrom of Mary-

land on account of some remarks that the latter made at the Maryland Association of Insurance Agents annual meeting reflecting on the examination policy in Louisiana, has received a letter from Commissioner Julian of Alabama, which says:

"While I am in agreement with your suggestion, there is one amendment that

I must offer, and that is after the two aggrieved parties have settled their differences and you take on both at one time, I insist that I be permitted to act as second to the Irish—God bless them."

He got a rise out of Commissioner Gontrom, stating that if he accepts the challenge to fight a duel he wants the "Irish machine gun" eliminated. He said

that he is somewhat suspicious of that combination and suggests that instead of this formidable weapon very ripe grapefruit be substituted and the distance be 60 paces.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Wichita Insurors Plan Big Year

WICHITA—Insurance is to have its first event here next year on Jan. 8 when Ray Murphy, associate general manager of the Association of Casualty & Surety Executives, will speak on the Wichita "Parade of Opportunities" series sponsored by the chamber of commerce. Over 700 are expected. To assure a large turn out, the Wichita Insurors has named a special publicity committee headed by Byron S. Chapell, past president. A special issue of the Wichita Magazine, published by the chamber, is to be devoted to insurance.

The second and larger insurance event for Wichita will be the mid-year meeting of the National Association of Insurance Agents, April 22-25, with the Wichita Insurors and Kansas association as hosts. Committees are already working on plans for the gathering aided by the chamber of commerce.

Victor G. Henry, president Wichita Insurors, has an ambitious program for the remainder of the year. An insurance school is being considered.

Discuss New Rules, Schedules

At the regular luncheon meeting with 50 present, in lieu of a speaker, new rules and revised schedules were discussed, Dwight Smith covering plate glass and burglary, B. S. Chapell the guest medical rider on automobile liability and H. A. Blinn leading a question and answer discussion of U. & O. coverages. President Victor G. Henry outlined recent filings covering rural properties with fire protection and rate credits authorized by the Kansas Inspection Bureau. Other similar meetings are to be held, due to the unusual interest developed.

Omaha's Fire Defense Receives Sharp Criticism

OMAHA—M. S. Blake, field engineer of the National Fire Protection Association, branded Omaha's fire prevention and fire fighting equipment as inadequate and obsolete.

He recommended a definite budget program for systematic and constant replacement of fire department equipment and a code of fire prevention ordinances. He said Omaha's fire department personnel should be increased and fire prevention should be emphasized in the entire city program.

Omaha's fire alarm system is inadequate for the city's needs, he added, there are not enough street boxes, and the present system causes too much delay in reporting of fires. He suggested ordinances to wipe out the weed fire menace.

Minnesota Association Heads Outline Program for Year

MINNEAPOLIS—The 1939-40 program of the Minnesota Association of Insurance Agents was set in motion at a two-day meeting of officers and committees here. In addition to the officers and members of the executive committee there were present nearly all the 14 newly appointed regional chairmen and some of their co-workers.

Public relations, safety and emphasis on the profit system were outlined as the main objectives for the coming year. Regional chairmen were given instructions on how to organize their districts along these lines. The drive for additional members, which was carried on with

great success last year, will be continued. Present membership is close to the 650 mark, an all-time high.

The association will also push automobile insurance sales. Ward Senn, chairman of this campaign, reports fine progress in writing previously uninsured cars. One agent reports 21 new policies sold and others report 10 or more new cases.

Tremor Stirs Up Interest in Earthquake Cover

ST. LOUIS — Earthquake shocks the morning of Nov. 23 have stirred up a temporary mild interest in earthquake insurance here. For a few days after the tremor, which centered near the hamlet of Grigg in Randolph county, Ill., about 31 miles southeast of St. Louis, local agencies and brokers received many inquiries in regards to earthquake insurance.

Notwithstanding that St. Louis is in the second highest risk classification in regards to earthquakes, being topped only by California, comparatively little earthquake insurance has been written here.

Insist on Coverage

Some of the large life companies have insisted on earthquake protection in making large loans on commercial and apartment house properties in St. Louis and vicinity. It is also known that a few concerns specializing in home loans have carried blanket policies to protect them against an earthquake catastrophe, but only a comparatively few home owners have carried policies on their property.

For a frame house the St. Louis rate is about 6 cents on the \$100 valuation, while brick residences carry a rate of 10 cents.

One of the largest agencies here which carries only an average of 15 earthquake policies annually, most of them on commercial properties, reported it received orders for 20 policies the day after the earthquake. The majority of these were issued to home owners.

Other agencies reported similar experiences, but in the aggregate the total business written was comparatively small.

Seek to Improve Cincinnati Service to Outside Districts

CINCINNATI—Passage of an ordinance fixing a charge of two mills on each \$1,000 property valuation for fire protection service in unincorporated areas outside the city was recommended to the city council by its law committee. Communities and municipalities having fire departments may contract for auxiliary fire protection service at a rate of one mill a \$1,000 property valuation. The new ordinance is expected to go into effect Jan. 1 when existing contracts with municipalities and townships expire. Under existing contracts, the city fire department charges \$100 an hour to answer calls.

Under the proposed ordinance property owners in unincorporated areas could establish a fire district, which if approved by the Cincinnati chief of police, would be given protection as a part of the city.

Some time ago, a change was made in Ohio rules which permitted property owners living outside of incorporated areas to enjoy the advantages of lower fire insurance rates if they lived within three miles of a fire house and within 1,000 feet of a hydrant provided that township authorities or a recognized civic body contracted with a neighbor-

ing village or town for fire protection. A number of such contracts were made, the two most important townships in the Cincinnati area, Anderson and Columbia, making contracts with the city of Cincinnati.

One of the Cincinnati local agencies wrote a considerable number of policies on such risks indemnifying township authorities if the fire department concerned was unable to answer the call. The Cincinnati department may refuse to answer calls outside of the city if it is engaged within the city.

Since the writing of a fire service clause independently of a fire insurance policy is contrary to Ohio rules, the policies so written have not gone through the stamping office.

Hangar, 19 Airplanes, Burn, Loss Estimated at \$106,000

An estimated total loss of \$106,000 was incurred last week when the hangar and 19 planes at the Des Moines municipal airport burned. Ten of the planes were reported as being insured, five being covered by the United States Aviation Underwriters group and five by the Aero Insurance Underwriters. One man was killed and two injured, all three being workers at the airport.

It is believed that the fire was caused by sparks from welding equipment operated by the workers.

It was the heaviest fire loss suffered by aviation underwriters this year.

Illinois Agents' Board to Meet in Chicago, Dec. 1

Directors of the Illinois Association of Insurance Agents will hold an organization meeting the afternoon of Dec. 1 in the office of the Insurance Federation of Illinois in Chicago. This will be the first gathering since the recent annual meeting at Springfield, W. H. Jennings, Jr., of Rockford, immediate past president and board chairman, will preside. New standing committees for the year will be selected and membership and other plans considered. The regional vice-presidents as well as officers will attend.

Plan Michigan Question Answers

DETROIT—The Casualty & Surety Executives Association of Michigan and the Michigan Fire Underwriters Association have agreed to have prepared by committees of those organizations, for submission to the insurance department, a series of standard answers to the fire and casualty questions asked in the questionnaire used by the department in examining applicants for license as agents. Should they be approved and their distribution be agreed to by the commissioner, they will be published by the associations. Unofficial approval of the projects has been obtained from Seth E. Burwell, who handles the examinations for the department, it is reported.

Similar booklets are available to prospective agents in Ohio and other states, where they were issued with the approval of the respective insurance departments.

Van Wert Agent Victimized

Martin W. Feigert, local agent of Van Wert, O., desires to warn agents against a man about 27 years of age, five feet nine inches, weighing about 148 pounds, extremely dark complexioned with dark bulging eyes, who uses the name Henry Cramer.

This individual entered Mr. Feigert's office in his absence and told Mr. Feigert's secretary that he desired to make payment on his account. The secretary said that he must have been mistaken,

Insurance Inspectors Miss Fire by Only 15 Minutes

Just 15 minutes after a local agent and field man had inspected a road house near Iron River, Mich., in the interest of placing additional insurance on a new garage on the premises, fire broke out and destroyed the property. The insurance men who had just departed were Guy M. Cox, prominent local agent of Iron River, and G. A. Strasen of Oshkosh, Wis., state agent for American of Newark. The road house, known as Club Monte Carlo, was owned by Cesare Vantaggi. The insurance loss was estimated at \$7,500 and much of the insurance was carried by the Cox insurance agency.

that the office did not have his account. He replied that he had seen Mr. Feigert on the street that day, had given him a description of his automobile, requesting him to write up an automobile policy. "Cramer" stated that he wanted to make payment of \$10 on the account and tendered a check in the amount of \$32 on the Danville Bank of Danville, O., that was made payable to Harry Cramer and endorsed by him and signed by Charles Turner. Mr. Feigert's secretary gave "Cramer" the receipt and \$22 in currency. When Mr. Feigert returned to the office the sheriff was notified.

Iowa Directors in Sunday Session

DES MOINES—The executive committee of the Iowa Association of Insurance Agents is to hold a meeting here Sunday, Dec. 10. The Iowa leaders decided to give up a day of rest in the interest of association work, so as not to take more time than necessary from the business of the members. The association is continuing to forge ahead and has made membership gains since the annual meeting in September. An indication of the current vitality of the association is the splendidly attended "insurance forum" that was held the other day at Cedar Rapids. More than 100 agents attended. President H. C. Brown of Mason City is giving a good account of himself. He is systematic in his work, is devoting much attention to the job and is being enthusiastically assisted by his cabinet.

Pick Metcalfe for President

ST. LOUIS—G. S. Metcalfe has been nominated for president of the Associated Fire Insurance Agents & Brokers of St. Louis. The annual meeting will be held Dec. 6.

Other nominations are: For vice-president, William Rodiek, Jr.; treasurer, R. E. Doerflinger; secretary, J. C. Greulich; directors, W. F. Duerbeck, O. W. Erickson, Sr., A. F. Groehl, W. K. Protzmann and D. F. Sheehan.

To Cooperate on Safety Drive

ST. LOUIS—President John J. O'Toole of the St. Louis Board has appointed a special committee to cooperate with Mayor Dickmann in his campaign to make St. Louis the safest large city in the world. Arthur A. Jordan, Lawton-Byrne-Bruner Agency, is chairman.

Lelli Addresses Mo. Buyers

Urban M. Lelli of Chicago, general agent in the inland marine and business development department of Phoenix of Hartford, Tuesday evening addressed the annual meeting of the St. Louis division of the Insurance Buyers of the Associated Industries of Missouri. Last year Mr. Lelli was the speaker at the annual meeting of the Kansas City division. He discussed general inland marine subjects, giving practical sug-

gestions on the facilities that are available for protecting merchandise under all situations.

Plan Joint Conference in Flint

FLINT, MICH.—Flint Association of Insurance Agents, the local real estate board and allied construction industries are planning a joint meeting here Dec. 4 to consider matters of mutual interest. Waldo O. Hildebrand, Lansing, secretary-manager Michigan Association of Insurance Agents, has been invited to attend.

Seeks Elimination of Fire Hazards

ST. LOUIS—Mayor Dickmann has announced that he will ask the city council's office to draft an ordinance to give the fire department legal authority to inspect buildings and to compel the owners to carry out departmental recommendations for the elimination of fire hazards. The announcement followed a conference with Malcolm S. Blake, field engineer National Fire Protection Association and local authorities.

Insurance Committees Are Guests

HORICON, WIS.—Forty-four local agents and invited guests, including fire chiefs and members of insurance committees of the county board of supervisors and municipalities, attended the monthly dinner meeting here of the Dodge County Insurance Agents Association. Brief talks were made by T. J. Welch of the Dodge county insurance committee, Beaver Dam; Edward Beers of the Beaver Dam city council committee and Gustave Dickelman of Horicon, on the cooperation and assistance governmental units had received from the county association and local agents in working out efficient insurance programs.

Springfield, Mo., Retrenching

At a recent special election at Springfield, Mo., the city gasoline tax of 1 cent per gallon was defeated and as a result the city commissioners find that this will result in an \$80,000 loss in public revenue. In making retrenchment they have discharged the salvage corps of eight men as well as 10 city firemen. Since the formation of the salvage corps in Springfield some years ago, losses have dropped from \$200,000 to about \$43,000 last year.

New Springfield, Mo., Agency

The Ozark Insurance Agencies in the Woodruff building, Springfield, Mo., has been established. F. W. Jones, president Mo-Ark Coach Line, and J. H. Hannah, an attorney, are the main factors. The manager is John L. Davis, formerly with Baylor & Bayley, southeastern managers of the Pennsylvania Casualty of Lancaster, Pa. This company is now entered in Missouri and the new firm has the representation, specializing in long haul truck lines and buses. In addition it will handle general lines of insurance.

Gfeller Heads Kansas Mutuals

Theo. Gfeller, secretary Kansas Farmers Mutual, Chapman, was elected president of the Kansas Association of Mutual Insurance Companies at its convention in Salina. John Cottrill, Farmers Mutual, Marysville, was named vice-president and H. J. Ferguson, Farmers Alliance, McPherson, reelected secretary-treasurer. The attendance was 175. The 1940 convention will be held in Junction City.

NEWS BRIEFS

The Fort Wayne (Ind.) Insurance Board is advertising in newspapers and over a morning radio program for the benefit of its 23 member agencies. Theme of the newspaper copy stresses the position of the local agent in relieving the purchaser of all his worries.

The Detroit Insurance Women's League will hold its Christmas party

and dinner Dec. 5, with Mrs. Carrie B. Duckworth, Boldt agency, presiding. M. W. Bingay, editorial director Detroit "Free Press," will speak. H. B. Carr, resident manager Fidelity & Casualty, showed his travel films at the November meeting.

R. J. Lilly, secretary-treasurer of the Central States Hail, Lincoln, Neb., has sold his interest in that company and also in the Lincoln Casualty, writing accident and health, to his partner, J. F. Roche. The Central States Hail Insurance Agency has been dissolved and closed.

The 1752 Club, organization of mutual field men, will give a dinner-dance in Des Moines Dec. 9.

The Insurance Exchange of St. Paul has voted to have a marching club in the St. Paul outdoor winter sports carnival the last week in January. R. A. Burns

and Henry Orme have been named co-chairman and Jack Hanstein captain.

The Lansing Association of Insurance Agents is presenting badges to the "fire chief" and "assistant fire chief" in each of three classes at the Michigan School for the Blind. The blind students have been taking up fire prevention activities as enthusiastically as normal children in the city schools who are similarly organized.

While the Edward H. Smith Insurance Agency, National City Bank building, Cleveland, is dissolving as a corporation, the business will be continued under the same name by Edward H. Smith and Florence M. Smith as partners. In other words, it will be a partnership instead of a corporation.

George G. Goetz, Milwaukee agent, has been elected president of the Travelers Aid Society.

IN THE SOUTHERN STATES

Notable Speakers Listed for Alexandria, Va., Regional

Speakers for the regional meeting of the Virginia Association of Insurance Agents in Alexandria Dec. 6 included G. A. Peery, statistician Virginia corporation commission, "How Automobile Rates Are Made"; W. F. White, superintendent accident and health department Globe Indemnity, New York, "Accident Insurance"; S. P. Clark, chairman Virginia Field Club B.D.O. committee, "Facts and Comments—How to Meet Non-Stock Competition"; Roger Clarke, Fredericksburg, past president Virginia association, "Non-Ownership Automobile Liability Insurance"; O. R. West, manager Virginia association, "Insurance Laws".

Effects Saving on Public Insurance

UNION CITY, TENN.—By placing all of its insurance, both fire and casualty, through the Obion County Exchange, the county has effected an annual saving on premiums of \$1,400. Every stock company agent in the county is a member of the exchange and is receiving an equal share of the commission.

H. A. Bransford, president of the exchange, says the county had 116 policies, written in "116 different ways," including fire insurance on its buildings and fire and liability on school buses. One fire and one liability policy, with each building insured according to value and some with an 80 percent coinsurance clause, were written.

North Carolina Mutuals Elect

HIGH POINT, N. C.—P. P. Phillips of Durham was elected president of the North Carolina Association of Mutual Insurance Agents at the annual meeting here, succeeding H. H. Murray of Raleigh.

Other officers are: Albert Kramer, Elizabeth City, and Jack Zachary, Charlotte, vice-presidents; G. C. Fox, Stateville, reelected secretary-treasurer.

Speakers included: Paul Dubuc, Greensboro, special agent Shelby Mutual Plate Glass; A. L. Fletcher, state administrator; Frank Atkins of the North Carolina department, E. J. Raabe, Central Manufacturers Mutual, Van Wert, O., and Commissioner Boney.

Butterworth Makes Change

Henry W. Butterworth has been appointed manager of the insurance department of Schmidt & Wilson, Richmond, Va. Mr. Butterworth was for the past four years with the H. V. Godbold agency as secretary.

Oklahoma Farm Losses Severe

Some of the farm departments are complaining because of the adverse loss experience in Oklahoma. Farm losses in that state were severe on account of

windstorms the past season and the fire losses currently are numerous. Some of the company executives feel that the situation has become acute and that an effort should be made to increase rates. Unless there is some improvement one or two companies are understood to be on the point of ceasing to write farm business in the state.

Offer Cut Rate on La. Schools

NEW ORLEANS — The state department of education has received offers from two groups to write \$2,000,000 of insurance for colleges under control of the state board at 25 percent less than the advisory rates of the Louisiana Fire Prevention & Rating Bureau. The bids were the first received in years by the state department and came as a result of protests by insurance agents of a "monopoly" of state insurance awards.

A. D. St. Amant of Baton Rouge offered to write all the insurance at a flat rate of 25 percent off, while the Parkerson Insurance Agency, Lafayette, La., offered a 26 percent reduction on all schools except the trade school at Crowley, on which 16 percent was offered.

Ames Buys Dallas Agency

Ellis D. Ames, for several years with the Fire Companies Adjustment Bureau and until recently its manager in Paris, Tex., has purchased the Frank Marshall agency in Dallas and will operate it as the Ellis Ames agency.

W. P. Witsell, Jr., formerly in the Waco office of the F.C.A.P., has been made manager at Paris, succeeding Mr. Ames.

Takes on New England Fire

The Robert L. Drake General Agency of Oklahoma City has taken on the New England Fire. It now represents the Michigan Fire & Marine in the state, both being members of the Springfield F. & M. group.

Open Newport News, Va., Office

A service office has been opened at Newport News, Va., by Fire Companies Adjustment Bureau, with A. T. Gomila, Jr., as adjuster in charge. His address is P. O. Box 105, Newport News. He will clear his work through the Norfolk, Va., office under supervision of H. P. Kane, branch manager. The Newport News territory includes the counties of Elizabeth City, Warwick and York.

NEWS BRIEFS

A. C. McDavid, local agent of San Antonio, Tex., is rejoicing over the arrival of his first grandchild, Claude Witherspoon, III.

The Insurance Women's Club of Oklahoma City held its annual "bosses day" luncheon with 84 present. Humorous impressions or sketches of important phases of insurance work were given by J. G. Hayden, America Fore; Kyle

McIntyre, independent adjuster; J. W. Butler, Oklahoma Audit Bureau; Buford Wales, Wales-Welsh Insurance Agency, and Guy Postelle, Oklahoma Inspection Bureau.

H. A. Steckler, New Orleans general agent, has been elected a director of the Louisiana Rating & Fire Prevention Bureau.

The Nashville Association of Insurance Women heard an address by L. E. Thrower of Newhouse & Sayre, St. Louis, on "All-Risks Insurance." A round table discussion followed. The annual dinner dance will be held Dec. 7.

W. Dudley Gale of Gale, Smith & Co., Nashville, addressed the student body of the University of the South, Sewanee, Tenn., on "Insurance as a Vocation."

W. D. Pettigrew, president Tennessee Association of Insurance Agents, has appointed local agents in each of 70 cities and towns of the state to head safety programs in their areas.

H. C. Taylor, assistant secretary Home of New York, was in Richmond last week on a business trip. He was formerly Virginia state agent.

Paul Slater, Business Development general chairman in Oklahoma, addressed the Rotary Club of Frederick, Okla., on the purpose and activities of the movement.

C. M. Seay of the Mississippi Association of Insurance Agents met with the local agents at Oxford, Miss., and a local board was organized. G. F. Heard was elected chairman to complete the organization. Active in the organization are Robert Torrey, G. Alonzo Westbrook and Wilson Roberts.

COAST

Two Organizations Fighting Cooperatives in California

LOS ANGELES — President H. W. McGee of the Insurance Exchange of Los Angeles, who had charge of the presentation of the Profit Motive Institute program at the annual convention of the California Association of Insurance Agents, is in receipt of inquiries from all parts of the state relative to it. It is understood that branches will be started in Oakland and San Francisco as a result of the interest shown at the Oakland presentation.

Mr. McGee feels that the institute now is ready for an effort to interest the personnel of business houses and corporations in organizing to combat the growing consumer cooperative scheme that apparently is to be given a trial in California, sponsored by the state administration.

Individual Enterprises, Inc., a California corporation formed by insurance companies to battle the plan to force all compensation insurance into the state fund, also is actively at work, now that the complications over compensation rating have come to the front.

Brokers Exchange Nominations

SAN FRANCISCO—E. P. Jones, first vice-president of the Insurance Brokers Exchange, has been nominated for the presidency. Officers will be elected Dec. 13. Other nominees are: First vice-president, R. D. Connolly; second vice-president, R. D. Blake; board of governors, D. P. Bowley, retiring president, P. C. Deering and C. H. Kispert.

Levit Outlines Code Provisions

SAN FRANCISCO—Provisions of the California insurance code, a subject of great interest at present in view of Commissioner Caminetti's campaign against violations, were explained in detail to the recently organized Fire Underwriters Forum of San Francisco by B. W. Levit, insurance attorney. Following an outline of the subject, the meeting developed into a general round

table discussion of numerous questions regarding activities of agents and brokers and the responsibility of the company employee.

John Henry Martin, assistant manager Standard Forms Bureau, has been appointed historian of the Forum.

Washington Educational Rallies

SEATTLE—In cooperation with local agents in the various cities, the Special Agents Association of the Pacific Northwest and the Insurance Agents' League of Washington will hold educational meetings as follows: Nov. 27, Tacoma; Nov. 28, Chehalis; Nov. 29, Hoquiam; Nov. 30, Bellingham; Dec. 3, Everett and Lewiston, Ida.; Dec. 6, Walla Walla and Yakima; Dec. 8, Wenatchee.

Hold Oregon Conferences

SAN FRANCISCO—A series of conferences between the contact committees of the Oregon Insurance Agents' Association and the Oregon Conference Committee was held here. W. G. Rich of the Royal-Liverpool groups, chairman of the conference committee, presided.

Oregon men in attendance included George W. Haerle, president Oregon Agents Association; Mark Goldy, Medford, chairman executive committee; Claude Nasburg, Marshfield; Fred Brennan, president Insurance Exchange of Portland, and C. F. Wagner, manager Oregon Insurance Rating Bureau.

Miss Evelyn Young of Marsh & McLennan-J. B. F. Davis & Sons was elected president of the San Francisco Insurance Women's League at the annual meeting; Miss Peggy Lutes, W. B. Brandt & Co., vice-president; Miss Florence Prince, California-Commercial Union group, secretary, and Miss Claudia Schumacher, Maryland Casualty, treasurer. The annual Christmas party will be held Dec. 14.

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EAST

H. E. Moore Again Heads Bay State Brokers

Harry E. Moore was reelected president of the Insurance Brokers Association of Massachusetts at the annual meeting at Boston. He is entering upon his fourth term. H. F. Bowen is secretary and these are the vice-presidents: H. D. Broderick, Albert Cross, T. R. Sullivan, C. J. A. Wilson and H. L. Wood.

Mr. Moore, in his presidential report, emphasized the necessity of the broker justifying himself in the eyes of the public as an efficient and worth while servant, particularly against the arguments of lower net cost advanced by mutuals and against the competition of insurance counsellors operating on a fee basis.

Dinner for Gov. Saltonstall Given by Mass. Society

About 700 attended the testimonial banquet of the Insurance Society of Massachusetts in Boston for Governor Saltonstall of Massachusetts. The speakers included the governor, George E. Allen, commissioner of the District of Columbia and vice-president of Home of New York on leave of absence, U. S. Senator Lodge of Massachusetts and E. C. Stone, U. S. manager of Employers Liability. Alexander Ellis, president of the society, served as toastmaster. One of those seated at the head table was Commissioner Harrington of Massachusetts.

Mr. Stone stated that in the 10-year period ending Dec. 31, 1938, casualty companies paid to claimants and policyholders \$5,033,324,000, fire and marine companies \$3,740,903,856 and life companies \$25,602,626,689.

For the 10 years ending Dec. 31, 1937, casualty companies paid for acquisition expense \$1,760,753,445, fire and marine companies \$1,940,842,778 and life companies \$3,354,264,000. Casualty companies paid taxes \$190,560,712, fire companies \$345,993,838, life companies \$598,033,794.

Casualty companies paid out for losses, dividends, acquisition and general expense, taxes, fees, etc., \$7,525,903,950, fire companies \$8,790,549,778 and life companies \$31,030,294,007, making the grand total \$47,346,747,735.

"Remove these companies from the scene and whence will come such huge contributions to the happiness, the peace and the prosperity of the country?" he asked.

Pittsburgh Examinations This Week

PITTSBURGH — Examinations for the insurance school being conducted in Frick Training School under the auspices of the Insurance Club of Pittsburgh in cooperation with the board of education and other insurance groups, will be held Nov. 30. About 100 have been attending the classes which opened in October and continue until next April.

Classes for December are scheduled as follows: Dec. 4 and 7, workmen's compensation, H. P. Schewe, manager Massachusetts Bonding; Dec. 11, 14 and 18, automobile insurance, Val. E. Schott, J. W. Henry office; Dec. 21, accident and health, John J. O'Connell, Lon C. Jeffrey Company.

Beugless Is Boston Manager

Frank A. Beugless, assistant manager in Philadelphia, has been made Boston manager of the Home of New York, to succeed Leo Riggs, who has been transferred to Washington, D. C., as manager.

Phillips Heads Washington Club

Douglas R. Phillips, vice-president of Alexander K. Phillips & Co., was elected president of the Insurance Club of Washington, D. C., at the annual meeting and dinner. More than 125 at-

tended. C. R. Baker is the retiring president. Membership during the year increased more than 25 percent. The new vice-president is Howard Eales, manager of Standard Accident.

New Mutual Syndicate in Pa.

Mercantile Fire Underwriters is the style of a new syndicate composed of three mutual fire companies of Pennsylvania that is being operated at Huntingdon, Pa., under the direction of Sedgley Thornbury as president. Mr. Thornbury is also secretary of State Mercantile Mutual Fire, one of the three members of the syndicate. The other companies interested are Graphic Arts Mutual Fire and Washington County Fire.

Pennsylvania Directors Meet

HARRISBURG, PA.—Plans for association activities the coming year were discussed at a meeting here of the directors of the Pennsylvania Association of Insurance Agents, the first gathering of the new board since the annual meeting. President H. M. Albert of Stroudsburg presided.

Sky Show in Pittsburgh Dec. 8

PITTSBURGH—A "sky show" party will be held in the new \$1,000,000 Buhl Planetarium for members of the Pittsburgh Association of Insurance Agents, their families, employees and friends, Dec. 8. Exhibits in the popular science department of the new cultural center will be viewed. Among the displays is the Aetna highway safety exhibit.

Minnie Payne and J. R. Dick have opened an agency at Pomona, Cal., as the Pomona Insurance Agency.

CANADIAN

Advisory Licensing Board for Ontario Announced

TORONTO—T. L. Flahiff of the attorney-general's department has been named chairman of the advisory board for licensing fire and casualty agents in Ontario.

Company representatives on the board are: C. M. Horswell, Merchants Fire; H. B. Rowe, Royal Exchange; H. C. Bailie, British Crown; F. O. Lucas, Scottish Metropolitan; W. C. Butler, Pearl Assurance; J. S. P. Armstrong, Dominion of Canada General; F. W. Lamont, Norwich Union; A. W. Eastmure, Casualty of Canada; D. B. Hall, General Accident; F. R. Selby, Western Assurance; S. C. Hopkins, North British & Mercantile; P. L. Waylett, London & Lancashire; F. N. Boyd, Canadian Fire; H. D. Dempsey, Employers Liability; F. E. Heyes, Sun; J. H. Burgar, Zurich; H. L. Wigglesworth, Liverpool-Manitoba; F. G. Haynes, Canadian Surety; C. Chandler, Western Assurance, and C. Riley, Canadian Indemnity.

Resolution on Erskine's Death

TORONTO — At a meeting here with A. C. Hall, vice-president of Canadian Underwriters Association, presiding, a resolution was adopted on behalf of the Canadian Underwriters Association, Underwriters Survey Bureau, Canadian Automobile Theft Bureau, All-Canada Insurance Federation, Fire Underwriters Investigation & Loss Information Bureau and Dominion Board of Insurance Underwriters,

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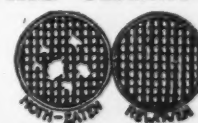
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on the death of E. E. Kenyon, late manager of the Alliance Assurance.

Honor Baillie in Toronto

TORONTO—A. C. Baillie, general manager of the Halifax, who has been visiting the Ontario offices, was honored at a dinner attended by the staffs of the supervisory and Ontario provincial offices, marked by a presentation to Mr. Baillie by his staff.

Other speakers were: Frank E. Wrong, assistant manager; A. E. Peters, provincial manager; E. B. McBryde, manager engineering and inspection division, and James E. MagNelly, manager York-Toronto agency.

Recover on B. C. Cannery Loss

Five insurance companies were successful in recovering money paid in settlement of a fire loss suffered by Ladner Packers, Ltd., Smith's Inlet, B. C. H. J. Stump, managing director of the cannery company, was convicted of conspiracy to defraud and sentenced to prison following the fire, the estimated loss of which was \$70,000.

Total recovered was \$20,287, the companies involved being the American Home Fire, Excess, National of Paris, Fire of Canada, and Bankers & Traders of Sydney, Australia.

"Social Credit" Rates Are Issued

The Alberta Government Insurance Office, which was recently established by the social credit government of the province to compete with private insurance companies, has now promulgated rates. Basis rates for dwellings on a three-year basis range from 50 cents in first-class to 70 cents in fourth. The contents rates range from 55 cents in first-class to 75 cents in fourth. Dwellings used in part by small mercantile occupancies are to be written at an increase of 10 cents.

J. F. Sullivan, 84, St. John, N. B., died there. He had been in the insurance business 64 years. Entering the business with C. E. L. Jarvis & Son, he established his own agency which he carried on for over 30 years.

Thomas Mills, local agent in Kingston, Ont., for 70 years, has retired, disposing of his business to C. A. Isaacks.

MARINE

I. M. U. A. Ruling Is Causing Much Speculation

Inland marine underwriters are speculating on the interpretations and effects of the Inland Marine Underwriters Association's latest ruling on the personal property floater which permits scheduling certain types of property that are used in the business, profession or occupation. Heretofore under the rules such property was excluded.

The permissible stipulation just approved is, "It is understood that exclusion 7(c) of the policy to which this schedule is attached, reading, 'Property pertaining to the business, profession or occupation of the person whose property is insured hereunder,' does not apply to any of the following specifically scheduled property."

The rule makes use of this clause permissible when specifically scheduling property of a nature permitted by the personal property floater rules or any coming under control of the I.M.U.A. However, this does not apply to animals, which may not be covered under the policy.

Few Classes Are Affected

At first the liberalization might seem to be very broad, but inspection of I.M.U.A. rules appears to indicate that about the only kinds of important property that could be included would be cameras and musical instruments. Instruments and apparatus of physicians, surgeons, dentists and any other medical men could not be scheduled. I.M.U.A. rules also cover certain types of property coming under the horse and wagon floater form, fine arts, personal furs and jewelry and stamp collections, but as a rule such property would be covered under a separate floater in which event it would not be scheduled in the personal property floater.

The musical instruments have not been an especially profitable class, especially in the case of professional musicians. Marine men cannot conceive that the I.M.U.A. broadened the rule to stimulate production of this type of business. The only other theory is that with the wide spread of the camera rage and the fact that many amateur photographers occasionally use their cameras in their own businesses, the rule might have been drafted to make possible the settling of questions affecting such occasional business use.

May Cause Premium Loss

As a matter of fact, scheduling cameras, musical instruments and other types of property of the sort contemplated by the I.M.U.A. throws it under the blanket portion of the contract, resulting in a substantial reduction of the premium paid on such property as compared to the rate it carries in the appropriate camera, musical instruments or other floater forms.

Extended War Risk Coverage Is Not Much in Demand

NEW YORK—While the American Marine Insurance Syndicate has announced its willingness to issue war risk 90-day covers on U. S. flag hulls calling only at neutral ports on the western hemisphere, the demand has been limited. This probably is due to the fact the rates charged for the extended protection are four times those for the 30 days limit. The extended contracts were made available for those shippers who desired to guard against an increase in war risk rates within 90 days. With offerings for indemnity in the

home market curtailed as a consequence of the restrictions placed by the government upon American vessels, and the relatively low rates charged for coverage by the British War Risk Insurance Office, home underwriters are seeking lines on ships traveling to Latin-American ports. For the information of its membership the National Council of American Importers, in a bulletin dealing with war-risk coverages, pointed out:

Bulletin Explains Coverage

(1) Open war-risk insurance policies are now available in the American market which give importers coverage, even though they do not know that shipments have been made until some time after the goods have been loaded or the vessels have sailed. Such policies contain a maximum amount to which the underwriters are willing to accept liability without definite knowledge of shipment. However, the policies have these restrictions:

a. Policies are subject to cancellation upon notice, but all shipments then afloat are insured, even if not declared to the underwriters.

b. Underwriters will bind themselves to a fixed rate for a seven-day period only.

c. The insurance still attaches only from the time the goods are loaded on board the vessel and until the goods are discharged.

d. Policy is free of British, French and Allied capture and seizure so that if goods are seized by one of these governments, the risk falls entirely upon the importer.

Different Valuation Bases

(2) In order to help shippers as much as possible in the matter of the values at which the goods can be insured, the underwriters have set up different bases of values:

a. The policy can specifically provide that the goods are insured at either invoice cost or some definite determinable market, plus a fixed percentage.

b. Great elasticity is allowed in the percentage that can be added to the invoice cost or determinable market.

c. It is also possible to insure goods up to the highest market value attained between the time of shipment and the time of arrival.

Page to Discuss I.M.U.A. Fireman's Fund Issues

President Charles R. Page of Fireman's Fund next week is expected to hold a conference in New York with representatives of the Inland Marine Underwriters Association regarding the resignation of Fireman's Fund from I.M.U.A., which becomes effective Dec. 31. Some observers believe that the differences between Fireman's Fund and the organization will be composed.

Mariners to Meet Dec. 4

The Mariners will meet Dec. 4 at the Brevoort Hotel, Chicago. There will be a general business session following dinner at 6 p. m. Plans will be made for the party to be held the second or third week of January at the Lake Shore Athletic Club.

Propellor Club Nominates

The Propellor Club of the port of Chicago will hold its annual meeting Dec. 14 at the Electric Club. P. J. Riley, Chicago representative American Bureau of Shipping, has been nominated for president; C. H. Barker, Osborn & Lange, vice-president, and J. E. Bishoff, D. Sullivan & Co., treasurer.

F. S. Bankhardt, superintendent inland marine department Security of New Haven, is in Los Angeles, looking over the field.

The Price Insurance Agency has been opened at Whitesboro, Tex., by Mr. and Mrs. L. D. Price.

MOTOR

Expect Strong Texas Stand

AUSTIN, TEX. — A special committee of the Texas house has delayed preparation of its recommendations pending completion by the attorney-general and the casualty insurance department of an investigation of an alleged tieup between automobile finance companies and dealers in placing insurance. It is indicated the committee will make strong recommendations for a divorce of such relationship in order to assure the purchaser an unrestricted right to select his own insurance carrier. Date of the next meeting will depend upon the progress of the investigation.

Regain Business From Dealers

SEATTLE—Local agents have instituted a campaign to regain a huge volume of automobile business written by dealers, with E. W. Newton of Newton & Greer as head of the committee. Strides have been made toward the ultimate goal of financing cars through local banks, with insurance written through local agents.

Much Interest Is Taken in Bids for FSA Coverage

(CONTINUED FROM PAGE 1)

that the insurance on tenant occupied properties and the scattered resettlement properties should be open to competition of companies and agents, permitting the tenant to place the insurance as he desires so long as he meets certain conditions laid down by the FSA. In other words, the business would be handled much as that of the federal land banks is treated.

Concentrated Values

Then the FSA could deal directly for the insurance on concentrated properties such as Greenbelt and Greendale. The values of these concentrated properties are said to range from \$250,000 to \$4,000,000.

The insurance companies are facing much the same situation in connection with the Home Owners Loan Corporation. The HOLC has canceled its present insurance arrangements with the Stock Company Association and the Mutual Association and the contract expires next April. The HOLC is determined to get substantially lower insurance rates and regards itself as a preferred risk. In order to meet the government requirements, the insurance companies will have to violate state rating laws, with the result that the insurance cost for dwellings mortgaged to the HOLC would be less than other dwellings including those owned outright. So far as can be ascertained, no one in the insurance business has conceived a solution and the HOLC is standing pat.

All of the government agencies that have insurance requirements are pressing these days for ever lower rates and there is always the implied threat that if the private insurance companies don't come to time a federal insurance scheme will be set up. The fear ex-

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ists that if a federal insurance plan should be created for one of these federal agencies that it would be extended rapidly to the other agencies.

Local authorities who have obtained subsidies from the United States Housing Authority are requested by the USHA in a communication, to keep insurance costs to an irreducible minimum. The USHA placed insurance with Firemen's Mutual of the factory mutual group on 44 PWA housing division projects and the USHA commands the local authorities, in buying insurance, to pay a net rate no higher than that which USHA is getting from Firemen's Mutual. The USHA is getting a net rate of \$.025 per \$100 per year from Firemen's Mutual.

Palmer's Ruling Is Rescinded

(CONTINUED FROM PAGE 1)

come to an end. One of the suits was brought by American Automobile and the other by the Insurance Brokers Association of Illinois. Attorneys for American Automobile will ask the attorney-general to stipulate that the order has been rescinded so as to show the reason for the termination of the litigation.

Delay Was Requested

Evidence that the attorney-general was facing the litigation with no enthusiasm was given last week in the two cases when Assistant Attorney-general Clausen requested an extension until Dec. 18, of the time for filing an answer. Attorney A. R. Peterson of Eckert & Peterson in the American Automobile case, pressed Mr. Clausen for his reasons for desiring a delay. After giving two or three explanations, the validity of which Mr. Peterson questioned, Mr. Clausen said that he desired to "consider the matter." The judges at that time, in granting the extension, stated that if the cases should not be disposed of prior to Jan. 1, they would restrain the controversial ruling from going into effect on the scheduled date which was Jan. 1.

Mr. Palmer in rescinding the ruling quotes a letter that he received Nov. 6 from Governor Horner, who stated that he had studied the order and had come to the conclusion "It is apparently designed to reduce insurance costs to the public on financed automobiles." "I am in accord with these objectives and feel that every support should be given to the department to accomplish such an end," the letter continued.

Exceeds Specific Authority

"However, I have to raise a question about an integral part of this bulletin. It concerns the definite fixing of maximum commissions for agents and allowances to licensed brokers. . . . This ruling, of such importance in the relation between insurance companies and their agents and brokers, in the determination of the amount of commissions of official act, seems to me to exceed the specific authority vested in the department by the article of the insurance code relative to automobile insurance rates.

"You may call upon the attorney-general to have him consider my judgment in this issue. The worthy objectives of the department of insurance, with far-flung influence and direct interest to such a great cause of the public, merits the closest attention and regard of every official concerned. In this understanding, the rights of all, the public, the insurance companies, the agents and brokers, should be protected and conserved."

In accordance with Governor Horner's wishes, Mr. Palmer states in rescinding the ruling that he discussed the issue with Attorney-general Cassidy who confirmed the governor's judgment.

Mr. Palmer states that he is rescind-

ing that portion of the order relating to maximum commissions and brokerages payable to agents and brokers but all other provisions of the ruling remain in effect. The remainder of the ruling sets up numerous conditions for the handling of automobile finance business.

A. T. Graham, first vice-president and publicity chairman, Insurance Brokers Association of Illinois, issued a statement briefly defining its position with reference to Director Palmer's action in rescinding the order. He said:

"Mr. Palmer's order of Oct. 10, to the insurance companies, known as Bulletin AR 29, sought to correct certain abuses in the business, but its application to licensed brokers or producers generally was unfair and would, if it became operative, deprive brokers and other licensed producers of a constitutional right without due process of law.

"The order exceeded the specific authority vested in the Insurance Department by the article of the insurance code relative to automobile rates.

"According to Governor Horner's letter of Nov. 6, 1939, which Mr. Palmer quotes in his letter of Nov. 27, to the insurance companies, the governor agreed with the opinion of the members of the brokers' association, and this opinion, Mr. Palmer says, was concurred in by Attorney-general Cassidy.

"Therefore, under date of Nov. 27, Mr. Palmer rescinded the order relating to maximum commissions.

"Certain interests strove to induce Mr. Palmer to alter the rates of commission to be paid, but brokers' association is not willing to compromise a principle.

"It is the ardent wish of the brokers that Mr. Palmer will yet be able to find a way to prevent the payment of excess commissions on a large volume of business controlled by companies engaged in financing the purchase of motor vehicles.

"In view of the foregoing, it is hoped that all real producers of insurance will at last realize that a militant organization like the Insurance Brokers Association of Illinois is fighting their battles and meeting with success."

The brokers association lost little time in capitalizing on the fact that Director Palmer rescinded his order governing auto fire, theft and collision commissions.

A newspaper account was clipped and pasted on the placard that had been on display in the lobby of the Insurance Exchange building for the past few weeks. The cards read as follows:

"Warning! Insurance brokers in Illinois. Your livelihood is at stake. Alone

you can do nothing about it. As a member of this association you will be defended. Self-preservation should be your aim, even if you are not concerned about the welfare of other brokers. You need us. We need you. Join now."

The brokers association is about to embark on an extensive membership campaign, it is understood.

Cost Administrator for Chicago Named

(CONTINUED FROM PAGE 11)

Mr. Turner arrived in New York Monday morning for a conference with Chairman Schofield and some of his associates regarding the work in Chicago.

A committee of the conferences headed by Mr. Schofield is slated to go to Chicago soon after the first of the month to get the machinery in motion and install Mr. Turner in office. At one time during his residence in Indianapolis, Mr. Turner was deputy insurance commissioner. He was active in Insurance Federation work.

One of Mr. Turner's first duties undoubtedly will be to pass on applications for special consideration under the Surety Acquisition Cost rules where provision for relief is granted.

Conditions of Relief Rule

Although the relief rule applicable to surety acquisition cost in Chicago and Cook county that was adopted by the executive committee of the surety acquisition cost conference has not been put into final form, the committee has prepared a memorandum setting forth the conditions of that rule.

Relief will be applied only to the right of a company member to maintain more general agents than one, as provided in the new rules. The applying company must show that the application of the rules, as to general agency quota, will work an injustice and result in the destruction or impairment of vested interests founded in all equity and that these interests existed at the time of the effective date of the rules.

A member must apply for relief through the chairman of the conference in New York at the time of registration of principal office and general and probate agents, in any event not later than Jan. 1, 1940.

Applications for relief will be investigated by the administrator or by members of the conference staff. The investigators will report their facts and find-

ings to the executive committee and the committee will grant or deny the application. If the committee vote is unanimous, provided that not less than eight members are present, the decision shall be final. If the executive committee vote is not unanimous, then appeal may be made to the conference within 15 days.

If upon appeal, relief is denied or no appeal is made from the decision of the committee denying relief, the member shall immediately revise its relationship with the agency to conform to the rules.

When relief is granted to one company it does not operate as automatic relief for any other company in the same agency.

Relief will not permit payment of excess commission. If relief permits a company to maintain an agency as a general agent, then only general agency commissions apply.

Termination of Relief

Relief will terminate whenever the interested company shall retire from the agency or request that relief be revoked or if the agency resigns the company or retires from business or substantially changes the status which existed when relief was granted. Relief may also be terminated upon motion of the approving body.

The only relief rule adopted was in respect of surety. According to present intentions, there will be no relief in the casualty end. The executives apparently felt that the granting of relief was essential in surety because of the fact that the new surety rules permit only one general agent and one principal office, whereas the casualty rules provide for two general agents and one principal office. The relief in surety, it is understood, was primarily for the benefit of companies writing surety business exclusively or who are a great deal more interested in surety than in casualty.

Company Executives in Chicago

So far as can be ascertained, no company as yet has taken steps to terminate any agency contracts in Chicago. No company desires to be the first to take action. There is the feeling that there may be some last minute modification of the rules or perhaps extension of the effective date. The date had been set ahead twice previously.

The appointment of Mr. Turner as administrator caused a good many of those who had been skeptical that the companies were actually prepared to act to become a good deal less sure of their ground.

Several company executives have been in Chicago in recent days, discussing the situation with their agents and represen-

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Trial all Courts—Investigations

tatives and seeking to ascertain the local sentiment.

A good many of the smaller and medium sized agencies are uneasy, feeling that they may lose general agency contracts with conference companies. There are several non-conference companies that stand to benefit if the rules are religiously enforced, but a good many of the smaller and medium sized agents dislike the idea of losing connections with companies with which they have been doing business for a good many years.

There has been some talk among some of the smaller agents of creating a combination office of some kind, which would qualify as a general agent and from which each of the associated agencies would receive general agency commissions.

The rules, if enforced to the letter, will have uneven effects upon the companies. For instance, some of the companies that have relied almost entirely upon general agency connections for Chicago volume are likely to suffer more heavily than the companies that have developed a sizable brokerage business and are more independent.

Excess Commission Situation

Although attention is generally concentrated, in discussions of the Chicago acquisition cost situation, on the matter of compliance with general agency quotas, just as important, in the minds of others, is the problem of reducing excess commissions that are now paid to general agents and to brokers. A good many general agents are said to be receiving commissions of from 2½ to 5 percent above the permissible scale and there are a large number of brokers that are receiving regional agents' commissions.

It is understood that some of the general agents in Chicago also desire to qualify as class A agents. There has been no official statement as to whether one office can qualify in both classifica-

tions and this is a matter that will probably have to be decided. Class A agents may receive general agency commissions from any companies on direct business but may not receive general agency commissions on brokerage business and may not have contingent contracts.

A change in plate glass commissions goes into effect at the same time. The scale has been 30 percent to producers and 35 percent to general agents, although, it is understood, a great many general agents have been receiving 40 percent. The new scale is 25 and 35 percent.

A number of the Chicago managers and general agents, due to the confusion at company head offices as to just what course is going to be pursued, have suggested that all present connections, surety and casualty, be frozen and no new appointments be made, until the machinery is gotten in motion and some definite course is outlined. Some of the Chicago people feel that relief will have to be granted for casualty as well as surety.

The Chicago Insurance Agents Association, at a well attended session Tuesday, held a lengthy discussion of the acquisition cost situation and decided against taking any position in the matter at this time. The question was referred back to the committee of which J. K. Walker of Moore, Case, Lyman & Hubbard, chairman of the association, is chairman. The other members of the committee include P. B. Hosmer, Lyman M. Drake and Allan I. Wolff. The general opinion seemed to be that since the companies had not yet taken any action towards bringing about compliance with the rules there is no situation demanding the immediate attention of the agents association.

Charles Kreye, head of the fire department of Fuller & Kern of New York, died at the age of 48 at St. John's Hospital in Long Island City after an illness of eight months.

Increase War Risk Rates to Apprehend New Loss Record

(CONTINUED FROM PAGE 3)

at Canadian Atlantic or United States Atlantic or gulf ports for Pacific coast ports or vice versa considered a double voyage, except as to or from Hawaiian Islands," has been deleted.

Neutrality Legislation

The neutrality legislation recently enacted by Congress has had a varied, yet unmeasurable effect on the writing of ocean marine cover and war risk by American companies.

Although a loss of income so far as American vessels are concerned is obvious, marine men point out that war risk rates on neutral and belligerent vessels will bring a higher premium income. They also point out that chance of loss on American flag vessels which remain in trans-Atlantic service to neutral ports will be considerably lessened.

Some observers say that the "cash and carry" provisions of the recent neutrality legislation will harm American companies because control of the insurance placement will be shifted from the seller to the buyer, who is located across the Atlantic. The English purchaser, especially, will undoubtedly tend to place his cargo with English companies and his war risk in the government pool.

With the British war risk rates considerably lower than those quoted by the American pool, the American companies will be at a decided disadvantage, it is argued.

Loss Payment Problem

Some discount this observation, countering with the assertion that difficulty of proving loss and securing payment in England will more than offset the control factor. The government war risk pool in England operates independent of the companies.

Since mysterious disappearance can be caused either by a marine or war disaster, difficulty can easily arise as to who is responsible for payment, despite the willingness of all parties concerned to make restitution.

In fact, there is a case pending now from the world war in which a vessel mysteriously disappeared, and still no proof of loss has been established, making payment impossible.

Can Be Placed in Same Company

In the United States, of course, both the war risk and marine cover can be placed in the same company, and the assured will receive payment whether or not his loss is due to perils of the sea or war. It will be up to the company to decide where to catalogue the loss after it has been paid.

Some substantial premium was undoubtedly lost for the moment when the federal government blocked transfers of registry of American flag vessels to South and Central American countries.

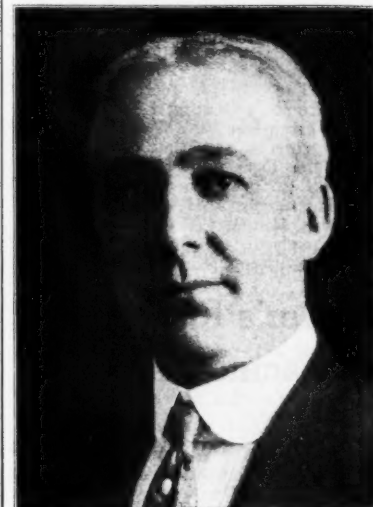
Most marine underwriters in this country are inclined to take the entire neutrality situation somewhat philosophically, asking "who makes money on war risk anyway?"

Charge Furnace Firm with Neglect

A suit has been brought by insurance companies against the Holland Furnace Co., for the destruction by fire of the Castle Nite club near Marietta, O., several months ago. The furnace concern is charged with neglect in connecting the pipes to the chimney. There was \$27,993 insurance on the building and contents, according to the suit brought in common pleas court.

The companies are: Aetna Fire, Automobile, Alliance, Continental, Franklin Fire, Hanover Fire, Home, Niagara Fire, Queen, Scottish Union & National, World F. & M., Pennsylvania, Fidelity & Guaranty Fire, and Glens Falls.

Veteran Chicago Field Man and Adjuster Dies



GEORGE W. STUCK

George W. Stuck, 64, veteran independent adjuster and fire insurance field man of Chicago, died of coronary thrombosis. He had maintained an adjusting office at 946 Insurance Exchange in Chicago for about 16 years. Mrs. Stuck is winding up the business and will close the office. The main adjusting accounts are being taken over by F. A. Deuss of the W. R. Feiler independent adjusting office, Chicago.

Mr. Stuck had been in fire insurance work for more than 43 years, starting in West Union, W. Va., in 1896. He went to Indianapolis and traveled for the German of Indiana. In 1901 he went to Peoria and became assistant to the late Jesse A. Daggett, who was then state agent for the Rockford and for Security of New Haven.

In 1903 Mr. Stuck succeeded Mr. Daggett as state agent for American of Newark. In 1918 he was with two of the Corroon & Reynolds fire companies and in 1920 he became an independent adjuster.

Audit Bureau New Toledo Office

TOLEDO, O.—Neal Hummel, manager of the Toledo branch of the Ohio Audit Bureau, announces the opening of his new offices on the 7th floor of the Spitzer building. This will be a great convenience to the agents of northwestern Ohio district for the reason that it puts both the Ohio Inspection Bureau and the Audit Bureau on the same floor of the building.

Mr. Hummel has been in charge of the Toledo branch for the greater part of the past 22 years and has conducted his office fairly, impartially and efficiently.

Rochester Board Activities

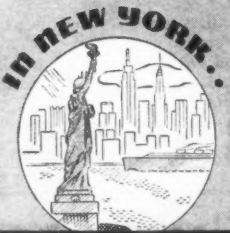
L. P. Slade, who has been in the real estate business at Rochester, N. Y., for 25 years, will give an address before the Rochester Underwriters Board, educational section, Friday noon, on "Methods of Making Fire Insurance Appraisals." The annual election of the board will be held next Monday noon.

Los Angeles Blue Goose Rally

The California Blue Goose at Los Angeles plans to make its meeting, Dec. 1, an especially interesting one, as five goslings are to have their pin feathers plucked. They are: Fred Kuster, Atlas; Lee White, L. R. Eby general agency; P. C. Lentz, Glens Falls, and G. J. Burg, adjuster, Fire Companies Adjustment Bureau. The pond will hold its annual dinner dance Dec. 8.


American Guarantee & Liability, Occidental Indemnity and Hardware Indemnity have been admitted to Maryland.

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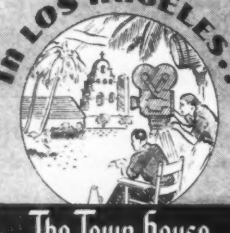
IN NEW YORK..

The Gotham



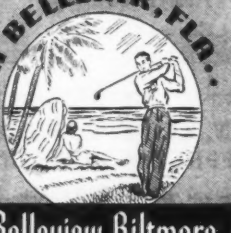
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